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ABSTRACT

The effectiveness of the financial management practices and the efficiency of the operations of the University of Mississippi School of Dentistry were evaluated, and recommendations to improve operations were offered by the legislative review committee. While the primary emphasis was effective cost management, attention was also directed to: the school's history, enrollments, curriculum, educational philosophy, and school size. The present organizational structure was also assessed, including recruitment of dental school employees, compensation, and employee benefits. Additional areas of analysis were: expenditures per student, tuition, institutional costs, revenue sources, clinic facility utilization, learning resources facility utilization, dental school applicants, accounting procedures and related controls, budgeting, travel, free care, and an intramural private practice plan. Findings include: the dental school expends 58 percent more than the national average to educate its students; the school is ranked low nationwide in sponsored research revenue, tuition income, and clinic income; the school admits only in-state residents as dental students; and the value of the schools' supply inventory is materially understated due to inadequate inventory and accounting procedures. (SW)

AN ANALYSIS OF THE OPERATION OF THE UNIVERSITY OF MISSISSIPPI SCHOOL OF DENTISTRY

Information Compiled and Prepared By:

James A. Barber, Project Manager
Max K. Arinder, Ph.D., Chief Analyst
L. Gene Marlow, Senior Analyst
Wanda G. Ray, C.P.A., Associate Analyst
Alyce Faye Tatone, Associate Analyst

Edited By:

Angela Ratcliff

The Mississippi Legislature

Joint Committee on Performance Evaluation and Expenditure Review

PEER Committee

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OFFICES:
1504 Woolfolk Building
Jackson, Mississippi 39201

Telephone:
601/354-6655

December 9, 1982

HONORABLE WILLIAM F. WINTER, GOVERNOR
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At its meeting of December 9, 1982, the PEER Committee authorized release of its report entitled An Analysis of the Operation of the University of Mississippi School of Dentistry.

Charles Ray Nix

Senator Charles Ray Nix, Chairman

TABLE OF CONTENTS

LETTER OF TRANSMITTAL ---------- i

LIST OF EXHIBITS ---------- vii

EXECUTIVE SUMMARY ---------- ix

INTRODUCTION ---------- 1

Methodology ---------- 1

SCHOOL HISTORY AND ORGANIZATIONAL STRUCTURE ---------- 3

History of the Dental School ---------- 3
Present Organizational Structure ---------- 8
Recruitment of Dental School Employees ---------- 11
Compensation ---------- 12
Employee Benefits ---------- 13
Recommendations ---------- 15

INSTITUTIONAL AND EDUCATIONAL STRUCTURE ---------- 16

Educational Philosophy ---------- 16
School Size ---------- 18
The University of Mississippi Dental School Is the Third Smallest Dental School in the United States ---------- 18
Institutional Costs ---------- 21
The University of Mississippi Dental School Expends 58 Percent More Than the National Average to Educate Its Students ---------- 21
When Primary Source of Financial Support and Institution Size Are Taken Into Consideration, the Dental School's CPS Remains Comparatively High ---------- 22
Revenue Sources ---------- 26
In FY 1981, the Dental School Received More State Appropriated Funds Per DDSE Than Any Other Dental School In the Nation ---------- 26
In FY 1981, the Dental School Ranked Low Nationwide in Sponsored Research Revenue, Tuition Income, and Clinic Income ---------- 30

Clinic Facility Utilization ---------- 32
The Dental School Did Not Efficiently Utilize Available Clinical Chair Space for Academic Years, 1980-81 and 1981-82 ---------- 32
The Dental School's Utilization Rates for Clinic Chairs Are Overstated ---------- 35
During a Given Quarter, the Dental School Has an Estimated 59 Clinical Chairs Which Are Not Used ---------- 35
The Dental School Inefficiently Utilizes Overall Clinic Space ---------- 36
Learning Resources Facility Utilization ---------- 36
The Dental School Maintains Photographic Equipment and Supplies Independent of the UMC Learning Resources Division ---------- 37
The Dental School Maintains a Television Production Studio Independent of the Learning Resources Division ---------- 38
Dental School Applicants ---------- 38
Dental School Applications Are Declining Nationwide ---------- 38
The University of Mississippi Dental School Admits Only In-State Residents as Dental Students ---------- 39
The Dental School is Experiencing a Decline in the Number of Student Applications It Receives ---------- 39
Recommendations ---------- 40

ACCOUNTING PROCEDURES AND RELATED CONTROLS ---------- 41

Introduction ---------- 41
Recommendations ---------- 42
UMC/Dental School Accounting System Overview ---------- 43
Dental School Financial Data Generated and Recorded by the UMC Accounting Department ---------- 44
Financial Data Generated by Dental School Personnel and Recorded by the UMC Accounting Department ---------- 50
Financial Data Generated Jointly by the Dental School and UMC Accounting Department ---------- 52
Analysis of the Dental School's Accounting Function ---------- 55
Due to Inadequate Inventory and Accounting Procedures, the Value of the Dental School's Supply Inventory Is Materially Understated ---------- 57
Recommendations ---------- 58
Due to Inadequate Accounting Controls Over Gold, the Value of the Gold Inventory on Hand Was Not Recorded in the Dental School Accounting Records Until June 30, 1981, Six Years After the School Began Classes ---------- 59

Recommendations ---------- 61
Inadequate Accounting and Inventory Procedures Result in the Inability to Detect Unrecorded or Misappropriated Equipment ---------- 61
Recommendation ---------- 63
Due to the Lack of Adequate Credit and Collection Procedures and Poor Patient Accounting Procedures, $127,998 or 70 Percent of the Dental School's Patient Accounts Receivable Recorded as of June 30, 1982, Were Outstanding Over 180 Days and Are Probably Uncollectible ---------- 64
Recommendations ---------- 69
Lack of Proper Controls Over Cash Receipts in Dental Clinic 8 May Result in the Failure to Detect Misappropriated or Unrecorded Cash Receipts ---------- 70
Recommendations ---------- 71
Poor Procedures for Refunding Student Instrument Deposits and Collecting Assessments for Instrument Damages Result in a Lack of Assurance That All Assessments Are Collected and Properly Recorded ---------- 71
Recommendation ---------- 72
UMC Procedures for Accounting for Certain Grant Income for Indirect Expenses Result in an Understatement of Dental School Grant Income ---------- 73
Recommendations ---------- 74
Current UMC Accounting Procedures Distort Interest Income Earned by Dental School Investments ---------- 74
Recommendations ---------- 75
UMC Accounting Procedures for Allocating Service Area Expenses Misstate Total Dental School Expenditures and Total Income for Indirect Expenses ---------- 75
Recommendations ---------- 75
During FY 1982, the Dental School Unnecessarily Maintained Two Concession Receipts Accounts ---------- 75
Recommendations ---------- 76

SELECTED AREAS OF OPERATION ---------- 77

Budgeting ---------- 77
Travel ---------- 82
It Appears That Dental School Faculty and Staff Members Comply With the Medical Center Travel Guidelines ---------- 82

For FY 1981 and FY 1982, the Dental School Supplemented State Appropriated Travel Funds With Two Other Funds ---- 83
Free Care ---- 84
Inadequate Procedures for Evaluating Patients' Needs for Financial Assistance May Prevent Certain Patients From Receiving Needed Aid ---- 88
The Policy of Granting Financial Assistance Retroactively Rather Than for Proposed Treatment Results in the Distortion of Reported Services and Accounts Receivable ---- 88
The Lack of Adherence to the Policy Requiring That Students Initiate Requests for Financial Assistance Allows Subcommittee Members to Both Initiate and Resolve Requests for Financial Aid ---- 89
The Lack of Use of Objective Criteria as the Basis for Subcommittee Decisions on Requests for Financial Assistance Results in Inequitable Decisions for Similar Cases ---- 89
The Lack of Documentation of Subjective Data Supporting Subcommittee Decisions Prohibits Comparison of Decisions Regarding Similar Requests for Financial Aid ---- 90
The Lack of Documentation of Patient Financial Information Results in the Inability to Ascertain That the Review of Properly Completed Financial Information Forms Precedes All Subcommittee Decisions ---- 90
The Lack of Complete Documentation of Financial Assistance Provided Prevents Reconciliation of Accounting Records to Subcommittee Decisions and Records ---- 91
Recommendations ---- 91
Intramural Private Practice Plan ---- 93
Recommendations ---- 105

APPENDIXES ---- 106

SELECTED BIBLIOGRAPHY ---- 140

AGENCY RESPONSE ---- 142

LIST OF EXHIBITS

1. Applicants and Graduates ---------- 7

2. The University of Mississippi Medical Center Organizational Chart ---------- 9

3. School of Dentistry Organizational Chart ---------- 10

4. Administrative and Department Chairmen Salary Survey ---------- 14

5. Vertical Team System ---------- 19

6. Total Expenditures Per DDSE for U. S. Public and Private Dental Schools, FY 1981 ---------- 20

7. Total Expenditure Per DDSE for U. S. Public Dental Schools, FY 1981 ---------- 23

8. Total Expenditures Per DDSE for Small Dental Schools in the U. S., FY 1981 ---------- 24

9. A Comparison of School Size to Total Expenditures Per Student Per Year for All U. S. Dental Schools ---------- 25

10. Revenue Per Doctor of Dental Science Equivalent Per Year by Source for All U. S. Dental Schools ---------- 27

11. Revenues by Source Per DDSE for Public and Private Dental Schools in the U. S., Fiscal Year Ending 1981 ---------- 28

12. A Comparison of School Size to Total Revenues for All U. S. Dental Schools ---------- 31

13. Available Dental Chairs in Academic Years 1980-81 and 1981-82 ---------- 32

14. Utilization of Clinics by All Students, 1980-81 ---------- 33

15. Utilization of Clinics by All Students, 1981-82 ---------- 34

16. Current Unrestricted Funds Comparative Balance Sheet (Unaudited) ---------- 45

17. Current Unrestricted Funds Comparative Statement of Revenues and Expenditures (Unaudited) ---------- 47

18. FY 1982 Service Area Allocations ---------- 49

19. FY 1982 Restricted Fund Activity ---------- 54

20. Patient Accounts Receivable Aging As of June 30, 1982 ---------- 68

21. Revenue Sources, Fiscal Years 1974-1982 ---------- 78

22. FY 1982 Dental School Budget Activity ---------- 80

23. Income From Programs Sponsored by Outside Agencies, FY 1982 ---------- 81

24. FY 1981 and FY 1982 Travel Expenses ---------- 84

25. Free Care Committee, Financial Assistance Decisions ---------- 87

26. Free Care Committee, Financial Assistance for Patients Who Did Not Submit Financial Information Forms ---------- 92

27. FY 1982 High, Low, and Average Income, Intramural Practice Clinic ---------- 95

JOINT LEGISLATIVE COMMITTEE ON PERFORMANCE EVALUATION AND EXPENDITURE REVIEW

AN ANALYSIS OF THE OPERATION OF THE UNIVERSITY OF MISSISSIPPI SCHOOL OF DENTISTRY

EXECUTIVE SUMMARY

The University of Mississippi School of Dentistry, established by the Legislature in 1973, functions as a component of the University Medical Center (UMC) in Jackson. The University's Vice Chancellor for Health Affairs has general supervision over and responsibility for the activities and programs of the Dental School. The Dean of the school has administrative responsibility for the school's day-to-day activities.

Pursuant to the enabling legislation, the Dental School has established four major objectives.

1. Develop and maintain an undergraduate dental education program which leads to the Doctor of Dental Medicine degree (DMD) and trains a community-oriented health professional who is both scientifically and clinically proficient.

2. Provide a service for the people of Mississippi by producing well-trained professionals who will enter the field of general dentistry and meet the dental care needs of Mississippians.

3. Establish and maintain a viable research program which both complements and supplements the undergraduate teaching program.

4. Provide a center for continuing education for practicing dentists who wish to keep abreast of the ever-changing concepts of dentistry.

To accomplish these objectives, the school, during its nine-year history, has received $25,812,471 in state appropriated funds, $5,692,302 in other funds, and has enrolled 318 dental students. With these resources the school has produced 107 dentists, of whom an estimated 68 currently practice dentistry in Mississippi.

This report evaluates the effectiveness of financial management practices and efficiency of the operations of the University of Mississippi Dental School. The primary emphasis of the report is effective cost management. In analyzing the Dental School's operation, six general features must be considered.

1. School Enrollment. The University of Mississippi Dental School is the third smallest dental school in the United States. Of the nation's 59 dental schools, Mississippi's enrollment of 163 students (in Doctor of Dental Science Equivalents) ranks 57th.

2. Curriculum. The Mississippi Dental School is the only institution in the nation which exclusively utilizes a problem-oriented, comprehensive care curriculum. This approach differs from the traditional concept of dental education in that students learn dental procedures in the context of symptom complexes and continuity of care, rather than as discrete operations taught in blocks of time or as isolated courses.

3. Sources of Funds. The Dental School receives more state appropriated funds per DDSE (Doctor of Dental Science Equivalent) than any other dental institution in the nation. (A DDSE represents a weighted average number of undergraduate, graduate, and related dental students enrolled for an academic year.)

4. Expenditures Per Student. The University of Mississippi Dental School expenditures per DDSE ($37,888) are 58 percent greater than the national average ($23,927).

5. Tuition. The Mississippi Dental School is a relatively inexpensive school for a student to attend. Of the

nation's 59 dental schools surveyed by the American Association of Dental Schools during academic year 1981-82, Mississippi's tuition of $2,000 per year was 52 percent less than the national average of $4,200 per year for all dental schools. (For academic year 1982-83, Mississippi's tuition is $3,038 per year for resident students.)

6. Dental School Applicants. The Dental School is experiencing a sharp decline in the number of dental student applications. From 1975 to 1982, there has been a 59% percent decrease in the number of in-state residents who have applied for admission.

School History and Organizational Structure

Finding

1. The Dean's twenty-person span of direct control furthers management and operational problems, academic and administrative competition among department chairmen and directors, and duplication of effort. (See page 8.)

Recommendation

1. The Dean should consider changing the position of Assistant Dean for Educational Programs and Research to an academic dean position with direct responsibility over the clinical and basic science department chairmen. This change would make the academic dean responsible for 14 positions and reduce the Dean's direct span of control to 6 positions.

Institutional and Educational Structure

Findings

1. The Mississippi Dental School ranks fifth in cost per student ($37,888 per DDSE) of all dental schools, public and private, in the nation. (See page 21.)

2. In FY 1981, the Dental School ranked low in sponsored research revenue (43rd), tuition income (37th), and clinical income (56th) in comparison to all other dental schools (59) in the nation. (See page 30.)

3. The Dental School inefficiently utilizes overall clinic space. During a given quarter, the Dental School has an estimated 59 clinical chairs which are not used, based upon an analysis of data supplied by the Dental School. (See page 35.)

4. The Dental School maintains a fully-equipped, free-standing television production studio and a photographic laboratory independent of the UMC Learning Resources Division. (See page 37.)

5. The Dental School is experiencing a decline in the number of dental student applications it receives. (See page 39.)

Recommendations

1. The Dental School should reduce its costs and relatively high dependence on state general funds for its operation.

2. The Dental School should generate more of its own funding and rely less on state appropriations. In an effort to do this, the school should consider future student tuition increases in an effort to make the student pay a more proportionate share of his educational costs and more aggressively attempt to collect delinquent patient accounts receivable.

3. The Dental School should initiate a detailed and comprehensive clinic utilization study in an effort to more efficiently allocate space and utilize available resources. Present efforts in this area have resulted in better allocation of time, but little improvement in actual space and resource utilization. Consideration should be given to combining clinics and utilizing the newly created space for future dental school programs not requiring additional funding or current programs of other Medical Center departments.

4. All Dental School television studio production equipment and photographic laboratory equipment and supplies should be transferred to the UMC Learning Resources Division, with the school maintaining only its closed circuit videotape system. If the school continues to have a need for a photographic laboratory for research purposes, the lab should be funded solely from research grants and not from state general funds.

5. In an effort to achieve maximum enrollment, the Dental School should consider expanding its applicant selection pool by accepting out-of-state students.

6. The Appropriations Committees of both Houses and the Legislature should review this report and make substantial reductions in the Dental School's appropriation for FY 1984.

7. PEER does not recommend future spending of any funds for new or expanded Dental School programs or additional staffing.

Accounting Procedures and Related Controls

Findings

1. No one employee within the Dental School has full responsibility for the school's financial management and accounting functions. These responsibilities are shared by the Director of Business Administration and the Clinical Operations Manager. (See page 42.)

2. Due to inadequate inventory and accounting procedures, the value of the Dental School's supply inventory at June 30, 1982 is materially understated by approximately $250,000. (See page 57.)

3. The value of the Dental School's gold inventory was not recorded in the accounting records until June 30, 1981, six years after the school began classes and initially purchased a gold supply. (See page 59.)

4. Inadequate accounting and inventory procedures result in the inability to detect unrecorded or misappropriated equipment. For example, the Dental School's studio television camera, purchased in 1978 and valued at $34,995, was completely omitted from Dental School and UMC inventory listings and accounting records as of August, 1982. Also, the Dental School has 103 equipment items valued at $29,641 listed as "unlocated" on the master inventory printout. (See page 61.)

5. Due to the lack of adequate credit and collection procedures, $127,998, or 70 percent of the Dental School's patient accounts receivable recorded as of June 30, 1982, was outstanding over 180 days and is probably uncollectible. (See page 64.)

Recommendations

1. The Dean, with assistance from the Vice Chancellor for Financial Affairs and the UMC Comptroller, should reorganize the school's accounting structure. The Director of Business Administration should be made solely responsible for the supervision and maintenance of the school's financial management and accounting functions.

2. The Dean or the Director of Business Administration should implement a periodic or perpetual accounting system for supplies inventory of auxiliary supply rooms to more fairly present monthly supplies inventory balances.

3. Proper internal controls over accounting for gold and physical access to gold should be implemented to ensure that all inventoriable quantities of gold are recorded in the financial records.

4. The UMC Property Control Officer should initiate action to compile an accurate equipment inventory list which represents all equipment for which the Dental School should be held responsible.

5. The Dental School should establish written credit criteria and extend credit only to patients who meet these established criteria.

Selected Areas of Operation

Findings

1. The Dental School appears to be "double-budgeting" in its commodities budget category. (See page 79.)

2. The lack of objective criteria for selecting free care recipients and the poor documentation of decisions result in the inability to substantiate the free care treatment provided by the Dental School. (See page 84.)

3. Due to the absence of effective monitoring controls, the activities and accounting functions of the Dental School's Intramural Private Practice Clinic cannot be properly supervised. (See page 93.)

Recommendations

1. The Dental School should modify its budgeting practices for its commodities category by basing all future requests on actual usage. The school also should consider budgeting for supplies only through the central and preclinical supply rooms.

2. The Dental School Patient Accounts Subcommittee should establish detailed criteria for free care treatment and fully and consistently document any decisions relative to free care.

3. The Vice Chancellor and Dean, with the approval of the Board of Trustees of State Institutions of Higher Learning, should carefully review the Dental School Intramural Private Practice Plan for faculty members and implement controls which would allow effective monitoring of operations and participants.

SUMMARY

By implementing the following cost reduction measures and revenue increases, the Dental School could reduce its dependency on state general funds. The details for the following computations are located in Appendix A on page 106. (Some of the proposed cost savings could represent realignments of costs among other UMC divisions.)

Continuous Cost Reduction Measures

		Major Budget Category Affected	Amount
A.	Consider changing to a traditional departmental framework with blocked clinic periods....	Personal Services	$ 21,000
B.	Transfer the equipment and operational responsibility for the school's photography laboratory and television production studio to the UMC Learning Resources Division	Commodities	40,000
C.	Eliminate the general fund subsidy to the Intramural Private Practice Program	Personal Services	31,000
	Subtotal		$ 92,000

Continuous Revenue Increases

A.	Increase enrollment by 10 in-state and 20 out-of-state students to the maximum capacity of 200 students using the tuition rate in effect for the 1982-83 academic year (Will take at least 4 years to achieve)	Student Fees	$211,000

		Major Budget Category Affected	Amount
B.	Increase fees charged to patients for dental services by 5 percent	Clinic Fees	$ 9,000
C.	Aggressively collect patient accounts, with a minimum collection rate of 85 percent	Clinic Fees	26,000
	Subtotal		$246,000
	Total Continuous General Fund Savings		$338,000

Total General Fund Savings From Disposal of Excess Supplies and Equipment

A.	One-time revenue increase from sale of surplus dental chairs (may take a period of over one year to achieve)	Other Income	$ 91,000
B.	One-time cost savings from utilization of dental supplies currently on hand in auxiliary clinical supply rooms (may take a period of over one year to achieve)	Commodities	250,000
	Total		$341,000

For More Information or Clarification Contact:

John W. Turcotte, Director
PEER Committee
1504 Woolfolk Building
P. O. Box 1204
Jackson, Mississippi 39205
Telephone: (601) 359-1226

INTRODUCTION

This report evaluates the effectiveness of the financial management practices and efficiency of the operations of the University of Mississippi School of Dentistry. Although PEER draws no conclusions as to the school's overall fiscal integrity or quality of education, the report includes recommendations which will improve the efficiency and effectiveness of the Dental School's operation.

Due to the Dental School's size and mode of operation, the cost per student is high in relation to national average costs for all dental schools. (See page 26.) This report notes certain areas where the Dental School can attain viable cost savings, reduce its dependency on state general funds, and produce more of its own operating revenue. Even after implementing cost saving and revenue producing measures, continued operation of a small dental school will cost the state a significant amount of general funds.

Methodology

In an attempt to gather accurate information concerning the Dental School's operation, PEER auditors employed five basic audit techniques: observation, calculation, inspection, inquiry, and analysis.

First, to determine compliance with established procedures, PEER auditors observed the day-to-day activities of the school and its employees. Also, PEER was present during and observed the annual supply

inventory conducted jointly by the Dental School and State Department of Audit.

Second, interest income, overhead charges, and other related expenses were reviewed and verified.

PEER also inspected the school's facility. In addition, two independent supply inventory observations based on computer-selected statistical samples were conducted.

Next, PEER conducted numerous interviews with Dental School employees including the Dean, faculty members, and staff personnel. Also, persons not directly related to the daily operation of the Dental School, such as members of the State Board of Dental Examiners, former employees, etc., were interviewed to gain additional perspective. PEER auditors distributed questionnaires to selected faculty members and administrative employees to obtain procedural and accounting information. Nationwide comparative information was obtained from the American Dental Association (ADA) and the American Association of Dental Schools (AADS). PEER also contacted the following institutions in an effort to obtain regional comparative data: the University of Florida, the University of Tennessee, Louisiana State University, and the University of Alabama. Of the four institutions contacted, only the University of Florida responded and provided information.

Finally, to determine the propriety of the accounting function PEER auditors analyzed account balances and documents supporting selected transactions relating to these balances.

SCHOOL HISTORY AND ORGANIZATIONAL STRUCTURE

History of the Dental School

Dentists and dental educators considered the establishment of a dental school in Mississippi as early as 1960; however, it was not until 1971, when the Mississippi Dental Association (MDA) actively supported the proposal, that significant progress was made in initiating the project. Studies by the MDA and the Board of Trustees of State Institutions of Higher Learning (IHL) in the early 1970s showed that Mississippi had the most unfavorable dentist to population ratio in the nation and that the situation would probably worsen in future years. The studies contended that contractual agreements with Southern Regional Education Board dental schools, such as Emory University, the University of Tennessee, Meharry Medical College, and Louisiana State University, did not then, and would not in the future, provide enough spaces to Mississippi students to satisfy the state's need for dentists. The studies concluded that the answer to the problem was the establishment of a dental school in Mississippi. The MDA and IHL felt that a dental school would allow more state residents to enter dentistry and encourage dentists to practice in Mississippi. Furthermore, it was felt that a dental school would provide other benefits to the state, such as the availability of in-state specialty training to Mississippi dentists; low or no cost dental care to low income patients; economic benefits; enhancement of the state's image; and most important, better health care to residents.

Interest in establishing a state dental school came at an opportune time in the state's history. The financial position of Mississippi during the mid-1970s was very good due to three major factors: economic conditions in the state were improving, sales tax collections were high due to inflation, and federal revenue sharing funds were flowing into the state. Therefore, financing the construction and furnishing a dental school presented no major financial problems for the state. Both houses of the Legislature overwhelmingly approved the establishment of a state dental school by passing House Bill 165, which was signed into law by the Governor on March 28, 1973.

House Bill 165 directed and authorized IHL to establish a School of Dentistry at the University of Mississippi Medical Center in Jackson for "the object and purpose of the encouragement of the study of dentistry toward the doctor of dental medicine degree, as well as the continued education of the state's dental health professions; and the encouragement of dental research and the improvement of dental health." It further directed that the school be in operation within three years from the date the Legislature made funds available and that no staff be employed or construction begun until the city of Jackson and Hinds County each deposited $1.25 million in the State Treasury for use by the State Building Commission in constructing and furnishing the dental school. In April, 1974, the Legislature appropriated $8.3 million of state funds to construct and equip the school. The State Building Commission was given the responsibility of coordinating and generally supervising the Dental School building project.

Most of the preliminary design work for the School of Dentistry building was done in late 1973 and early 1974, initially by the Dean of

the University of Alabama Dental School, who acted as a consultant, and then by the new Dean. The State Building Commission and the Dental School have only a limited amount of documentation concerning the design development process of the building. However, according to principals involved in the process, the building was designed along conventional dental education building lines, assuming 48 undergraduate students in each class and a total of 38 graduate students. The new Dean and the University of Alabama consultant, in conjunction with a Jackson architectural firm selected by the Building Commission from firms nominated by the Medical Center administration, determined space and facility requirements for the school's various clinical departments, laboratories, faculty offices, operatories, clinics, etc. The architectural firm translated these requirements into formal plans and estimated the total cost of the building project to be $11.5 million which included a cost escalation factor of 22.6 percent. As previously noted, the State Building Commission had access to $10.8 million for the Dental School building, $8.3 million from the state and $2.5 million from the city of Jackson and Hinds County. On April 10, 1975, the Building Commission approved the award of a $10.8 million contract to F. J. Rooney, Inc., and construction on the building began in July of that year.

The Dental School building project was completed in 1977, and included a five floor, 124,000 square foot dental building; two 12,300 square foot lecture rooms; a 1/6 mile enclosed walkway connecting the Dental School with the Medical Center Complex; and a 2,000 square foot boiler room addition. The dental building was designed and constructed to accomodate the maximum projected enrollment of 200 students, as well as a graduate and research program, and to be academically self-contained.

Academic preparations for the Dental School began in earnest when the Dean of the school was officially hired in January, 1974. By the spring of 1974, the new Dean had developed a proposed curriculum, formed the nucleus of a faculty, and applied for accreditation status for the new school, with the goal of beginning classes in the fall of 1974. In March, 1974, a committee of the American Dental Association Commission on Dental Accreditation evaluated the proposed dental education program and granted the school an initial accreditation status of "accreditation eligible." The Commission also determined that the school was not adequately prepared to begin classes in the fall of 1974. After a second site visit in February, 1975, the Commission approved the enrollment of 25 students for the fall semester beginning in September, 1975. (The students attended classes in the Medical Center Complex and the Research and Development Center until the new dental building was completed.) Subsequent evaluations by the committee resulted in progressive upgrading of accreditation status until full accreditation was attained in May, 1979. (See Appendix B on page 116 for the recommendations of the site committee.) The school's enrollment gradually increased in accordance with Commission recommendations to the 1982-83 school year enrollment of 170 students.

Since its beginning, the Dental School has processed 2,410 applicants, enrolled 318 students, and graduated 107 dentists. Of the graduates, 98 have been licensed by the State Board of Dental Examiners to practice dentistry and an estimated 68 now practice in Mississippi. (See Exhibit 1 on page 7.)

EXHIBIT 1

DENTAL SCHOOL
APPLICANTS AND GRADUATES

Academic Year	Applicants Applied	Accepted	Enrolled (New Students)	Graduated	Licensed
1975-76					
Resident	165	35	25	—	—
Non-Resident	352	0	0		
1976-77					
Resident	112	29	25	—	—
Non-Resident	384	0	0		
1977-78					
Resident	85	38	35	—	—
Non-Resident	522	0	0		
1978-79					
Resident	92	48	45	21	21
Non-Resident	24	0	0		
1979-80					
Resident	96	56	48	24	20
Non-Resident	18	0	0		
1980-81					
Resident	79	55	47	31	28
Non-Resident	19	0	0		
1981-82					
Resident	87	52	48	31	29
Non-Resident	149	0	0		
1982-83					
Resident	68	48	45*	—	—
Non-Resident	158	0	0	—	—
Totals					
Resident	784	361	318	107	98
Non-Resident	1,626	0	0	0	0
GRAND TOTALS	2,410	361	318	107	98

SOURCE: UMC Registrar's Office.

*Expected number.

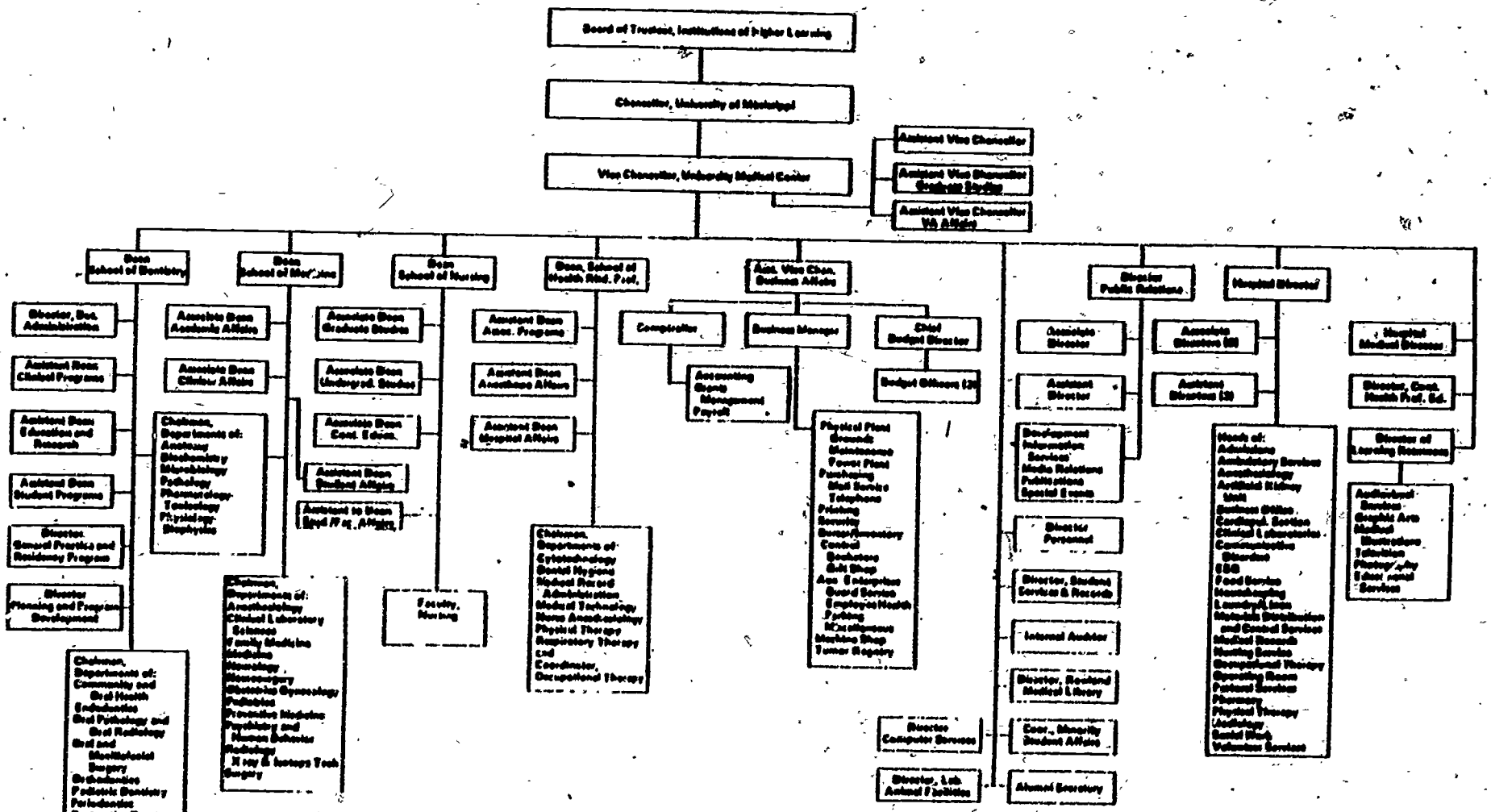
**Licensed by the Mississippi Board of Dental Examiner's immediately following graduation.

Present Organizational Structure

The Dental School is an integral part of the University of Mississippi and functions as a component of the University of Mississippi Medical Center in Jackson. (See Exhibit 2 on page 9.) The University's Vice Chancellor for Health Affairs has general supervision over and responsibility for the activities and programs of the Dental School. Service areas within the Medical Center, such as the Comptroller's Office, the Computer Services Division, the Personnel Office, etc., perform certain designated administrative and financial functions for the school. These functions and their relationship to the Dental School are discussed in other sections of this report.

The organizational structure of the Dental School is horizontal in nature with lines of authority extending from the Vice Chancellor to the Dean and then to other administrative and academic positions. (See Exhibit 3 on page 10.) The school's Dean designed the organizational structure based on his past administrative experiences, discussions with other dental educators, and the educational needs of the school. The Vice Chancellor and IHL reviewed the Dental School's current organizational structure and approved its implementation.

As illustrated in the school's current organizational chart, 20 positions are under the direct supervision of the Dean. According to personnel management theory, direct supervision of this many employees by the Dean tends to compromise the span of management principle which states that there is a limit to the number of people which can be directly supervised by one manager. Although it is difficult to quantify this principle in absolute terms, personnel management theory states that an upper-level supervisor, such as the Dean, should supervise a

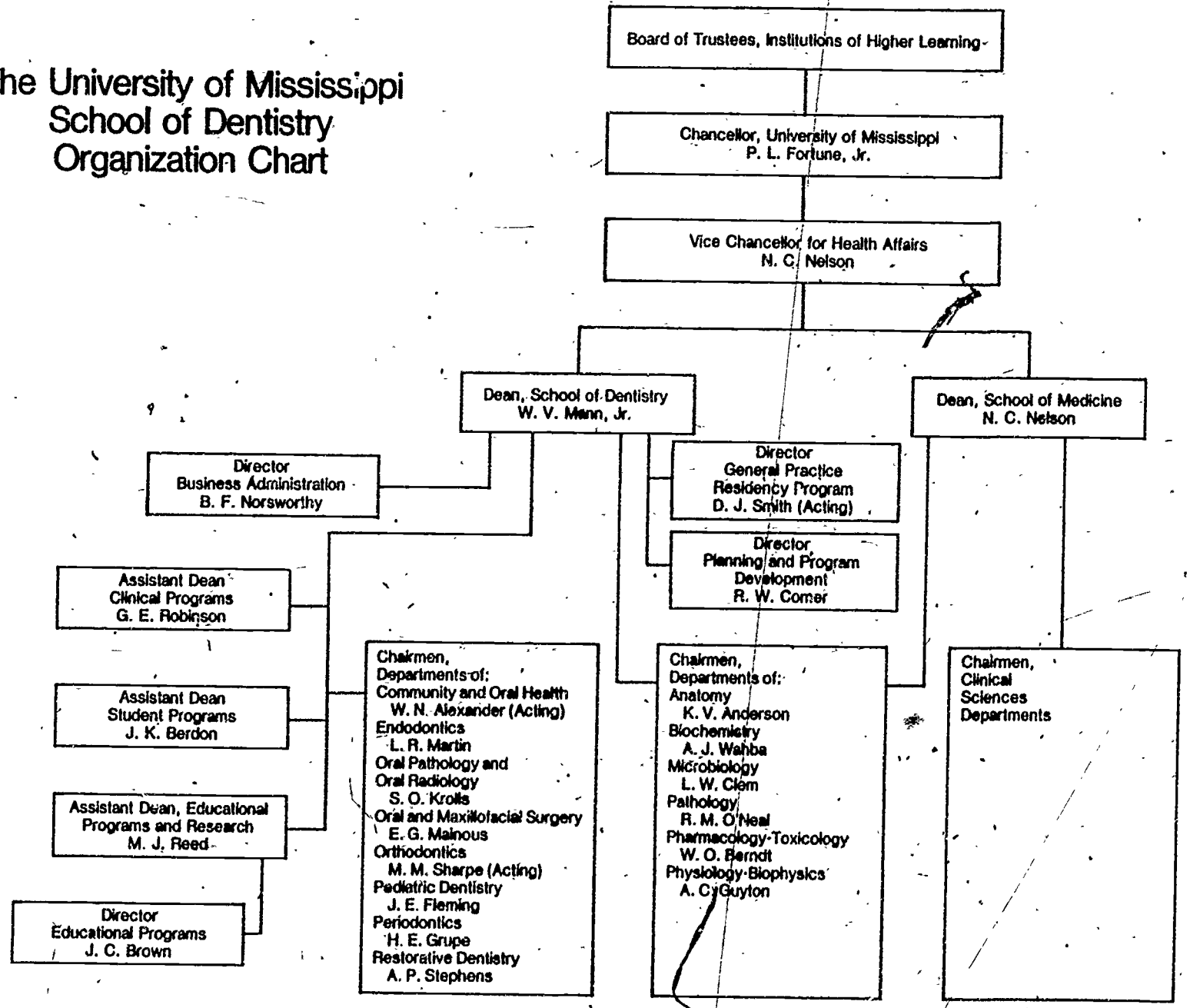


THE UNIVERSITY OF MISSISSIPPI MEDICAL CENTER

April, 1982

EXHIBIT 2

The University of Mississippi School of Dentistry Organization Chart



July, 1981

EXHIBIT 3

smaller number of employees than lower-level supervisors. The Dean's span of control tends to further management and operational problems, academic and administrative competition among department chairmen and directors, and duplication of effort.

As of the audit date of June 30, 1982, the Dental School's organizational structure contained 196 positions distributed as follows:

1	Dean
3	Assistant Deans*
14	Department Chairmen*
61	Full-Time and Part-Time Faculty Members
67	Clinical Support Personnel
25	Secretarial Personnel
2	Department Directors*
1	Administrative Assistant*
1	Accountant
21	Other Classifications
196	

*These positions report directly to the Dean.

The school's 196 positions are distributed between two general categories: 82 contractual employees, such as the deans, faculty members, and the business administrator, and 114 non-contractual employees, such as secretaries, dental assistants, etc.

Recruitment of Dental School Employees

The UMC "Faculty/Staff Handbook and Personnel Procedures Manual" outlines in detail the required procedures for filling a non-contractual vacancy. The Personnel Office coordinates this process and insures compliance with established guidelines.

The process utilized to recruit contractual employees differs slightly from the one used for non-contractual employees. The only

written guidelines for hiring contractual personnel appear in the faculty handbook and state that recruitment must be in accordance with the UMC Affirmative Action Plan.

The individual department chairmen and the Dean recruit contractual employees to serve in the Dental School faculty. The Dean coordinates the recruiting of contractual employees to serve in the upper-level administrative positions.

Compensation

Non-contractual employees are compensated according to a graded compensation table established by the personnel office and approved by IHL. The 21-grade table ranges from a minimum annual salary of $7,176 for a grade 2 employee to a maximum-annual salary of $74,621 for a grade 21 employee. According to Dental School policies, employee pay raises are given upon the recommendation of the department head and are based primarily upon merit and fund availability.

Increases in faculty salaries are based primarily on merit and are limited by funds availability and UMC established parameters. PEER analyzed the FY 1982 salaries of the school's upper-level administrative employees and department chairmen and compared them to the median salaries for the same position classifications as reported in a salary survey compiled by the American Association of Dental Schools. (The median level is the midpoint of a range with exactly one-half of the observations above the median and one-half below. The median level is not affected by extreme variances in a sample.) This comparison revealed that the compensation of the school's Dean and three assistant deans substantially exceeds the median salary of their counterparts on a national level. Also, the compensation of five of the school's eight

clinical department chairmen exceeds the median salary of all clinical department chairmen nationwide. The salaries for the Dental School positions analyzed also were compared to the mean salary for the same positions for all dental schools in the southern United States. (The mean is the arithmetic average of a group of numbers.) Once again, the salaries of the Dean, assistant deans, and five of the clinical department chairmen exceeded the mean salary of their counterparts at dental schools in the southern United States. (See Exhibit 4 on page 14.)

Employee Benefits

In addition to receiving state employee benefits such as leave, health insurance, etc., all full-time, permanent employees of the Dental School receive the following benefits as part of their employment:

1. Six paid holidays per year (New Year's Day, July 4, Labor Day, Thanksgiving Day, Christmas Day, and Christmas Eve or December 26)

2. Educational privileges of enrolling in one class at UMC or some other institution per semester which does not exceed four hours during one week

3. UMC hospital discount benefits of 20 percent on inpatient bills and 25 percent on outpatient bills and a discount of 15 percent on dependent's bills

4. Scholarship privileges to the University of Mississippi's undergraduate program for never-married, dependent children

5. Moving expenses of up to $1,000 for new Dental School faculty members. (The Dean may authorize a reimbursement of more than $1,000 if there are extraordinary circumstances.)

EXHIBIT 4

DENTAL SCHOOL
ADMINISTRATIVE AND DEPARTMENT CHAIRMEN SALARY SURVEY

	FY 1982 Contract Salary	National		Southern	
		AADS Survey Median Salary*	Amount Above or Below Median Salary	AADS Survey Mean Salary**	Amount Above or Below Mean Salary
Administrative					
Dean	$77,425	$67,100	$10,325	$68,800	$ 8,625
Asst. Dean for Educ. Prog. & Research	59,000	49,000	10,000	50,200	8,800
Asst. Dean for Clinical Programs	55,500	49,000	6,500	50,200	5,300
Asst. Dean for Student Programs	58,000	49,000	9,000	50,200	7,800
Department Chairmen					
Community and Oral Health (Acting)	$40,478	$50,000	$(9,522)	$52,300	$(11,822)
Endodontics	53,000	50,000	3,000	52,300	700
Oral Pathology/Radiology	54,000	50,000	4,000	52,300	1,700
Oral and Maxillofacial Surgery	59,000	50,000	9,000	52,300	6,700
Orthodontics	46,000	50,000	(4,000)	52,300	(6,300)
Pediatric Dentistry	50,000	50,000	--	52,300	(2,300)
Periodontics	55,000	50,000	5,000	52,300	2,700
Restorative Dentistry	59,000	50,000	9,000	52,300	6,700

SOURCE: American Association of Dental Schools "Faculty Salary Survey, 1981-1982 Academic Year."

*Median salary of all dental schools in the United States for the positions analyzed.
**Mean salary of all dental schools in the southern region of the United States for the positions analyzed.

Recommendations

1. The Dean should consider changing the position of Assistant Dean for Educational Programs and Research to an academic dean position with direct responsibility over the clinical and basic science department chairmen. This change would reduce the Dean's direct span of control to 6 positions.

2. The Vice Chancellor should limit future salary increases for the Dean, assistant deans, and department chairmen in an effort to establish salary levels which are more in line with the national averages instead of being above them, as they are at present.

INSTITUTIONAL AND EDUCATIONAL STRUCTURE

Educational Philosophy

The University of Mississippi Dental School approaches dental education from a unique perspective in comparison to other dental schools around the nation. Instead of teaching dentistry within a traditional departmental framework with each department responsible for teaching the clinical techniques and methods associated with its specialty area, the Dental School has adopted a problem-oriented approach which emphasizes comprehensive patient care and utilizes student teams to foster continuity of learning. Presently, the Dental School is the only institution in the United States which exclusively uses a problem-oriented approach to dental education.

The problem-oriented approach to teaching dentistry, along with its accompanying problem-oriented records, appears to be related to concepts which can be found in the writings and teachings of Dr. Lawrence C. Weed, the "father" of problem-oriented health care. The school's approach utilizes a curriculum in which the communication of didactic information and clinical technique revolves around the problems which most often face dentists in actual practice rather than around the traditional distinct clinical disciplines.

The Dental School currently recognizes the following sixteen primary problem areas which serve as the basis for instruction:

aging;
behavioral disorders;
dental caries;
developmental defects;

emergencies;
malocclusions and dysfunctions;
missing teeth;
occlusal disorders;
oral lesions;
pain, fear, and anxiety;
periodontal diseases;
poor oral hygiene;
pulpal disorders;
socioeconomic factors;
surgical disorders; and
systemic diseases.

These areas, along with prescribed clinical procedures and techniques, form the basis for the school's problem-oriented curriculum. Teaching these problem areas becomes a multi-disciplinary effort, with each of the 8 departments within the school being assigned responsibility for teaching one or more of them.

The comprehensive care aspect of the problem-oriented approach requires a student to develop the skills to examine and evaluate a patient's dental needs, identify and list the dental and medical problems presented by the patient, prescribe a comprehensive treatment plan, perform a majority of the dental care required by the patient, and recognize and accept the need to refer a patient to dental specialists when appropriate. Theoretically, the dental needs of a student team's patient dictate which and in what order the clinical procedures will be performed by the students. For example, the varied dental needs of a patient may require a student to treat that patient in several teaching clinics, such as periodontics, endodontics, restorative dentistry, etc., during the course of the patient's treatment. While both types of clinical training require that students complete a minimum number of specified procedures, the Dental School's clinical training differs markedly from the traditional departmental system in which a student is assigned to a particular clinical department for a designated period of

time to learn specific procedures common to that department, regardless of the comprehensive needs presented by the patient.

A final unique aspect of the Dental School's philosophy is that each dental student is assigned to a vertical student team his freshman year and remains with that team throughout his entire four year dental education experience. Vertical student teams include one representative from each student class. Each member of the team performs procedures appropriate to his level of competence, thereby developing clinical confidence and skills. The vertical team arrangement, illustrated in Exhibit 5 on page 19, enables a student to meet the comprehensive care needs of a patient through the combined skills of the team and to follow the patient's progress through a prescribed treatment plan.

In an effort to analyze the institutional and educational structure of the school, PEER obtained nationwide comparative data from the American Association of Dental Schools (AADS) and the American Dental Association (ADA). Based on this information and data provided by the Dental School, PEER performed a limited analysis of the following areas: school size, institutional costs, revenue sources, facility utilization, and dental school applicants.

School Size

The University of Mississippi Dental School Is the Third Smallest Dental School in the United States

Exhibit 6 on page 20 shows that the University of Mississippi Dental School, a public institution, was the third smallest of the dental schools in the nation as of FY 1981. (FY 1981 statistics are the most recent comparative data available through the AADS.) Its ranking as third smallest is based on a nationwide comparison of total academic

EXHIBIT 5

VERTICAL TEAM SYSTEM

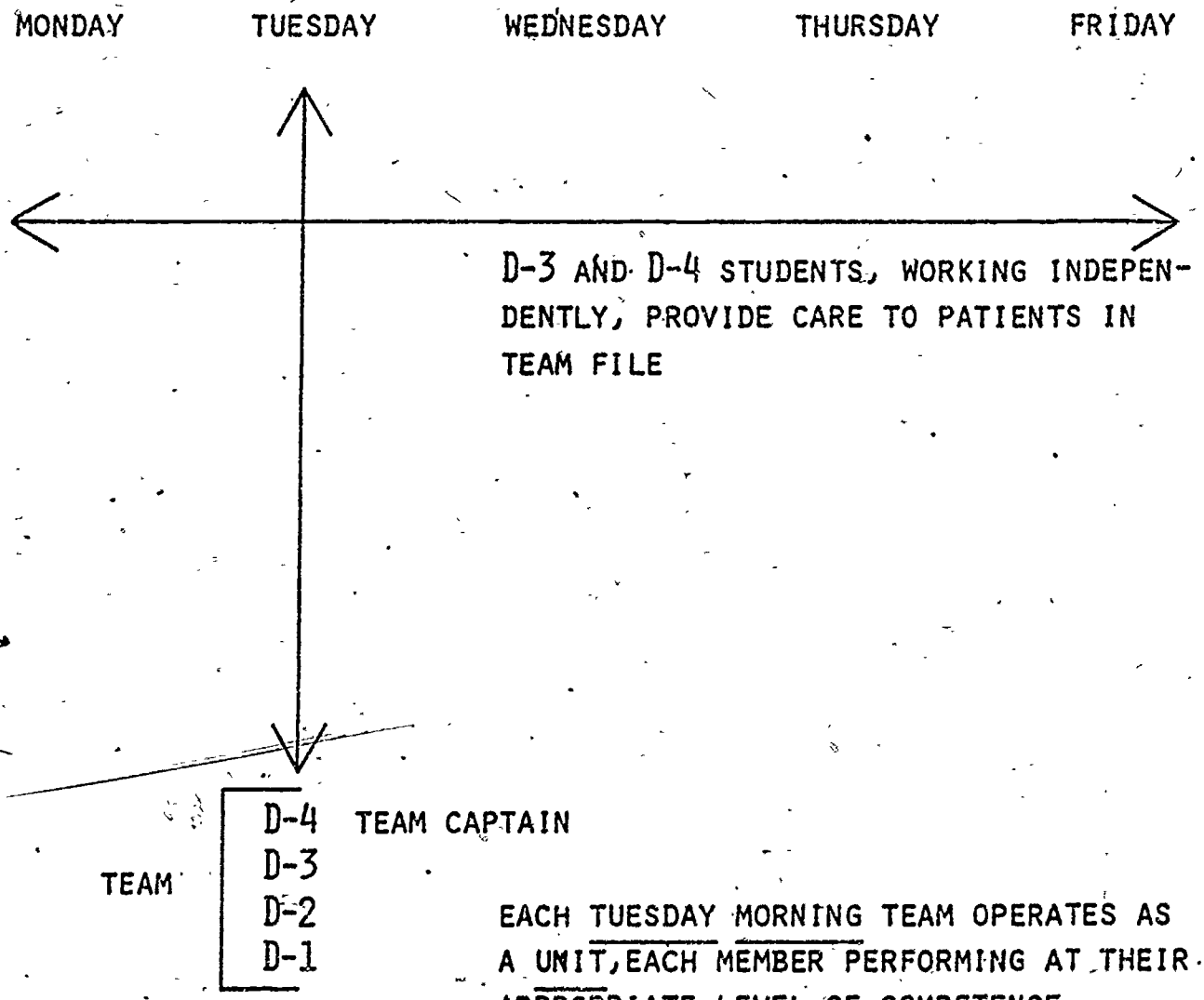


EXHIBIT 6

TOTAL EXPENDITURES PER DDSE FOR U.S. PUBLIC AND PRIVATE DENTAL SCHOOLS
FY 1981

Dental School	Type of School	Size of School in DDSE*	Total Expenditure Per DDSE
University of Connecticut	Public	306	$52,498
State University of New York - Stony Brook	Public	103	48,846
University of Alabama	Public	430	41,445
University of California - San Francisco	Public	495	37,974
UNIVERSITY OF MISSISSIPPI	Public	163	37,888
University of Colorado	Public	124	37,751
Southern Illinois University	Public	168	37,406
University of North Carolina	Public	492	34,359
Louisiana State University	Public	473	33,394
Medical College of Georgia	Public	338	32,987
University of Florida	Public	290	31,422
University of Texas - San Antonio	Public	701	31,298
University of California - Los Angeles	Public	487	30,148
University of New Jersey	Public	392	28,367
State University of New York - Buffalo	Public	436	27,151
University of Kentucky	Public	283	27,026
Harvard University	Private	189	26,916
Meharry Medical College	Private	251	26,265
University of Iowa	Public	516	26,102
University of Michigan	Public	809	25,846
University of Washington	Public	509	25,606
University of Pennsylvania	Private	790	25,561
University of Texas - Houston	Public	633	25,332
Howard University	Private	470	25,017
Fairleigh-Dickinson University	Private	407	23,587
University of Oklahoma	Public	302	23,159
University of Minnesota	Public	783	22,445
Baylor University	Private	517	21,959
Columbia University	Private	307	21,622
University of Louisville	Public	410	21,525
University of South Carolina	Public	252	21,165
University of Pacific	Private	425	20,955
Tufts University	Private	603	20,461
West Virginia University	Public	319	20,453
University of Maryland	Public	633	19,904
New York University	Private	915	19,795
Loma Linda University	Private	459	19,563
Detroit University	Private	406	19,103
Northwestern University	Private	555	18,697
University of Indiana	Public	703	18,621
Oregon University	Public	390	18,601
Georgetown University	Private	632	17,960
University of Puerto Rico	Public	280	17,681
University of Illinois	Public	720	17,580
Ohio State University	Public	732	17,295
University of Southern California	Private	689	17,264
University of Tennessee	Public	612	16,910
Virginia Commonwealth University	Public	516	16,877
Case Western Reserve University	Private	429	16,830
Temple University	Private	729	16,707
Creighton University	Private	309	16,438
University of Pittsburgh	Private	603	16,414
University of Nebraska	Public	322	16,258
University of Missouri	Public	737	15,896
Marquette University	Private	671	13,516
Boston University	Private	453	13,144
Washington University - St. Louis	Private	376	12,594
Loyola University	Private	665	12,212
Emory University	Private	483	11,904
Oral Roberts University**	--	--	--
Mean			$23,927
Standard Deviation			$ 8,812

SOURCE: Analysis of Dental School Finances FYE 1981 published by the American Dental Association.

*DDSE, Doctor of Dental Science Equivalent is a weighted composite measure which summarizes academic enrollment on a full-time undergraduate equivalency basis. Undergraduate students are given a weight of 1, students in auxiliary fields a weight of .5, and graduate students a weight of 1.7.

**Data not available.

enrollment converted to Doctor of Dental Science Undergraduate Equivalent (DDSE) figures. The DDSE represents a weighted average number of undergraduate, graduate, and related dental students enrolled for an academic year. In FY 1981, the Dental School had 163 DDSEs enrolled in its program, compared to the national average of 478 DDSEs per school.

Institutional Costs

According to information provided to PEER by the AADS, the cost per student (CPS) ratio has gained acceptance as a method for comparing the institutional costs of dental schools nationwide. The AADS recognizes two major factors which tend to skew cost figures: the type of financial support a school receives (public or private) and the size of the school. The AADS points out that the failure to consider these factors may result in distortions in analyses of comparisons of dental schools. Therefore, PEER analyzed Dental School costs in several ways, taking these two factors into consideration when appropriate.

The University of Mississippi Dental School Expends 58 Percent More Than the National Average to Educate Its Students

Exhibit 6 on page 20 presents a comparison of CPS data and shows that the Mississippi Dental School has the fifth highest CPS ratio of all dental schools, public and private, in the nation. Mississippi expends a total of $37,888 per DDSE per year, or an average total expenditure of $151,552 to educate one DDSE for four years. This compares to a nationwide average expenditure of $23,927 per DDSE, or an average total expenditure of $95,708 to educate one DDSE for four years. Therefore, it costs the Dental School 58 percent more to educate its dental students than the national average would dictate.

When Primary Source of Financial Support and Institution Size Are Taken Into Consideration, the Dental School's CPS Remains Comparatively High

Mississippi ranks fifth in total expenditures per DDSE per year when compared exclusively to public dental schools nationwide. (See Exhibit 7 on page 23.) Mississippi's $37,888 average expenditure per DDSE per year is more than $10,000 higher than the mean for all public dental schools of $27,349. Mississippi's expenditure is 38.5 percent above the nationwide public school average expenditure figure.

When compared to other small public and private schools, Mississippi ranks third in total expenditures per DDSE per year, approximately $6,800 above the small school mean. (See Exhibit 8 on page 24.) Therefore, a four-year dental education at the University of Mississippi will result in expenditures of $27,200 more than the average of all small dental schools nationwide. This represents a 22 percent greater expenditure than the small school average.

The final comparison to be made with Mississippi's average annual expenditure per DDSE involves a comparison with other small public dental schools. Ten of the 13 schools the AADS classifies as small are public institutions. These institutions averaged expenditures of $35,113 per DDSE in FY 1981. Mississippi's average expenditures of $37,888 per DDSE are 8 percent higher than the average for small public schools.

The relationship between the total expenditure figures just discussed and the dimensions of size and source of support is demonstrated in pictorial form in Exhibit 9 on page 25. School size is plotted on the horizontal or x-axis, and total expenditures are plotted on the vertical or y-axis. Public schools are designated by squares and private schools by dots. Mississippi is designated by a star. Mean size

EXHIBIT 7

TOTAL EXPENDITURES PER DDSE FOR U.S. PUBLIC DENTAL SCHOOLS FY 1981

	Total Expenditure Per DDSE
University of Connecticut	$52,498
State University of New York - Stony Brook	48,846
University of Alabama	41,445
University of California - San Francisco	37,974
UNIVERSITY OF MISSISSIPPI	37,888
University of Colorado	37,751
Southern Illinois University	37,406
University of North Carolina	34,358
Louisiana State University	33,394
Medical College of Georgia	32,987
University of Florida	31,422
University of Texas - San Antonio	31,298
University of California - Los Angeles	30,148
University of New Jersey	28,367
State University of New York - Buffalo	27,151
University of Kentucky	27,026
University of Iowa	26,102
University of Michigan	25,846
University of Washington	25,606
University of Texas - Houston	25,332
University of Oklahoma	23,159
University of Minnesota	22,445
University of Louisville	21,525
University of South Carolina	21,165
University of West Virginia	20,453
University of Maryland	19,904
University of Indiana	18,621
Oregon University	18,601
University of Puerto Rico	17,681
University of Illinois	17,580
Ohio State University	17,295
University of Tennessee	16,910
Virginia Commonwealth University	16,877
University of Nebraska	16,258
University of Missouri	15,896
Mean	$27,349
Standard Deviation	$ 9,438

SOURCE: Analysis of Dental School Finances FYE 1981, American Dental Association.

EXHIBIT 8

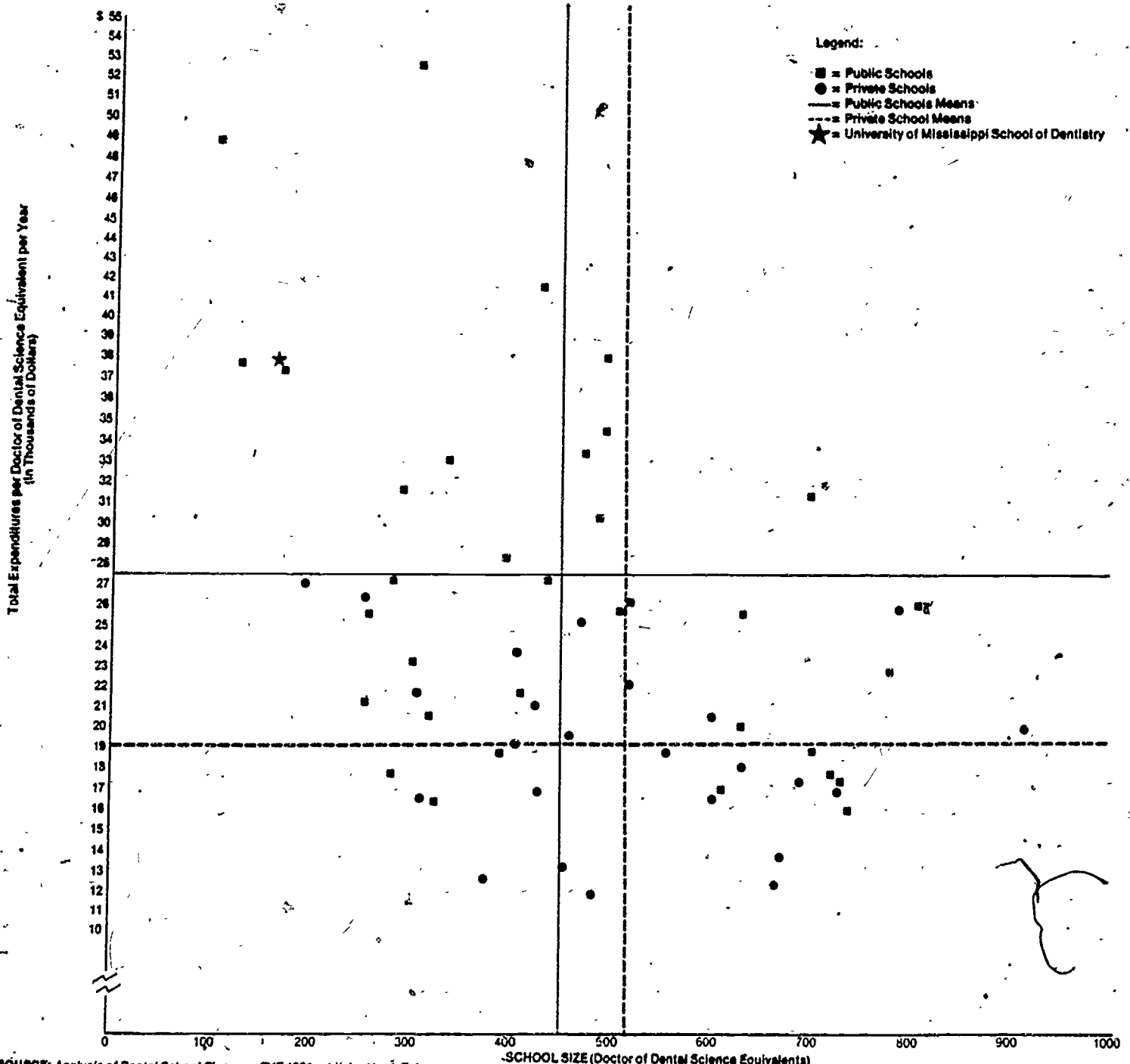
TOTAL EXPENDITURES PER DDSE FOR
SMALL DENTAL SCHOOLS IN THE U.S.
FY 1981

	Total Expenditure Per DDSE
University of Connecticut	$52,498
State University of New York - Stony Brook	48,846
UNIVERSITY OF MISSISSIPPI	37,888
University of Colorado	37,751
Southern Illinois University	37,406
Medical College of Georgia	32,987
University of Kentucky	27,026
Harvard University	26,916
Meharry Medical College	26,265
Columbia University	21,622
University of South Carolina	21,165
University of West Virginia	20,453
Boston University	13,144
Mean	$31,074
Standard Deviation	$11,504

SOURCE: Analysis of Dental School Finances FYE 1981, American Dental Association.

EXHIBIT 9

A COMPARISON OF SCHOOL SIZE TO TOTAL EXPENDITURES PER STUDENT PER YEAR FOR ALL UNITED STATES DENTAL SCHOOLS



SOURCE: *Analysis of Dental School Finances FYE 1981* published by A.D.A.

and expenditure rate are designated by solid lines for public schools and broken lines for private schools. This diagram clearly depicts the high relative costs of small public schools, as well as the Dental School's unfavorably high relative cost. The diagram also depicts the large variances among the nation's dental schools in size and in cost per DDSE.

Three major factors appear to contribute to the high operating costs of the Dental School:

1. The Dental School is a small school, and small schools are relatively expensive to operate and maintain. Even operating with a maximum enrollment of 200 students, the Dental School will remain in the high-cost small school category as defined by the AADS, thereby limiting cost savings which may be achieved as a result of full-capacity enrollment.

2. The ADA's Annual Report on Dental Education 1981-82 presents the University of Mississippi Dental School as having 91 percent of its clinical faculty on full-time contract, which requires a substantial outlay of salary funds. Nationwide, only 73 percent of the faculty in clinical departments is full-time.

3. Mississippi's Dental School is state supported, and state supported schools, according to the comparative information, are not as cost efficient as privately supported schools.

Revenue Sources

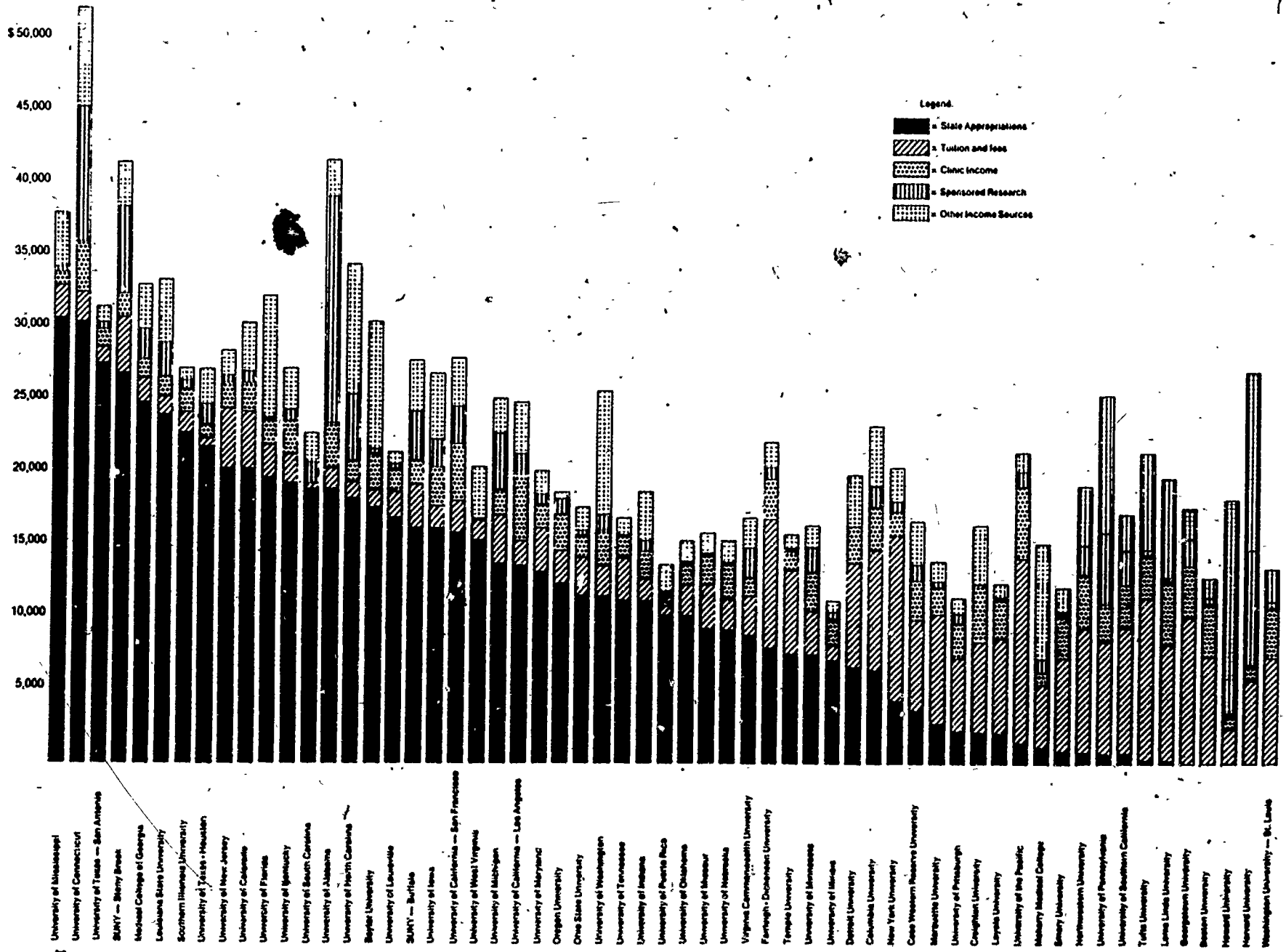
The University of Mississippi Dental School receives funding from five major categories: state appropriations, tuition, clinic income, grants, and other miscellaneous sources.

In FY 1981, the Dental School Received More State Appropriated Funds Per DDSE Than Any Other Dental School in the Nation

Exhibits 10 and 11 on pages 27 and 28 show that Mississippi ranked first in the nation in FY 1981 in the total amount of state appropria-

EXHIBIT 10

REVENUES PER DOCTOR OF DENTAL SCIENCE EQUIVALENT PER YEAR BY SOURCE FOR ALL UNITED STATES DENTAL SCHOOLS FY 1981



SOURCE: *Analysis of Dental School Finances FYE 1981* Published by A.D.A.

EXHIBIT 11

REVENUES BY SOURCE PER DDSE
FOR PUBLIC AND PRIVATE DENTAL SCHOOLS IN THE U.S.
FISCAL YEAR ENDING 1981

Institution	State Appropriation Per DDSE	Nationwide Rank	Tuition-Fees Per DDSE	Nationwide Rank	Clinic Income Per DDSE
University of Connecticut	$30,343	2	$ 2,066	42	$ 3,493
University of Alabama	18,806	14	1,478	49	3,212
SUNY-Stony Brook	26,793	4	3,745	25	1,751
UNIVERSITY OF MISSISSIPPI	30,613	1	2,230	37	907
University of North Carolina	18,150	15	1,140	52	1,458
Louisiana State University	24,048	6	1,134	53	1,414
University of Colorado	20,276	10	4,475	23	1,996
Medical College of Georgia	24,776	5	1,720	45	1,327
University of Florida	19,622	11	2,328	35	1,615
University of Texas-San Antonio	27,532	3	999	55	1,340
Baylor University	17,538	16	1,266	51	2,566
University of New Jersey	20,321	9	4,433	24	1,374
University of California-San Francisco	15,859	20	2,143	40	3,949
SUNY-Buffalo	16,261	18	2,905	30	1,726
Southern Illinois University	22,733	7	1,482	48	1,601
University of Kentucky	19,322	12	2,046	43	2,180
University of Texas-Houston	21,867	8	443	58	1,053
Harvard University	0	-	5,727	19	1,119
University of Iowa	16,161	19	1,378	50	2,910
University of Washington	11,553	27	2,073	41	2,409
University of Pennsylvania	760	51	7,702	10	2,689
University of Michigan	13,657	22	3,362	26	1,790
University of California-Los Angeles	13,632	23	1,721	44	4,507
Columbia University	6,468	40	8,301	8	2,890
University of South Carolina	18,992	13	351	59	0
Fairleigh-Dickinson University	7,991	35	8,952	5	2,598
Tufts University	259	53	11,202	3	2,986
University of Louisville	16,988	17	1,648	46	1,584
University of Pacific	1,405	47	12,637	1	5,136
West Virginia University	15,308	21	893	56	0
New York University	4,318	41	11,288	2	1,830
Meharry Medical College	1,058	48	4,494	22	751
University of Maryland	13,192	24	2,976	27	1,607
Detroit University	6,501	39	7,385	14	2,538
Loma Linda University	206	54	8,002	9	4,387
Northwestern University	817	50	8,490	7	3,733
University of Indiana	11,187	29	1,552	47	1,860
Oregon University	12,490	25	2,202	38	2,401
Howard University	0	-	2,483	34	919
Ohio State University	11,559	26	2,568	33	1,635
Georgetown University	0	-	10,148	4	3,432
University of Southern California	722	52	8,739	6	2,918
University of Tennessee	11,299	28	2,812	31	1,631
Virginia Commonwealth University	8,884	34	2,661	32	1,294
Case Western Reserve University	3,579	42	6,409	15	2,601
Creighton University	2,287	45	6,192	18	3,730
University of Minnesota	7,526	37	2,941	28	2,715
University of Missouri	9,376	32	2,918	29	2,090
Temple University	7,592	36	5,683	20	1,405
University of Nebraska	9,141	33	2,202	38	2,388
University of Oklahoma	10,023	31	2,320	36	1,398
Marquette University	2,703	43	7,623	11	1,788
University of Puerto Rico	10,161	30	667	57	1,060
Washington-St. Louis University	0	-	7,452	13	3,287
Boston University	0	-	7,486	12	3,553
Loyola University	2,258	46	6,268	17	2,765
Emory University	880	49	6,327	16	3,065
University of Pittsburg	2,289	44	4,941	21	2,461
University of Illinois	7,132	38	1,022	54	1,771
Oral Roberts University	Data Not Available				
Means*	16,731		4,207		2,213
Standard Deviations	6,493		3,161		1,065

SOURCE: Analysis of Dental School Finances Fiscal Year Ending 1981 Published by the ADA.

NOTE: A DDSE Represents a Weighted Average Number of Undergraduate and Graduate Dental Students Enrolled for an Academic Year
* and Standard Deviation for State Appropriations PER DDSE Includes Only Public Dental Schools.

Nationwide Rank	Sponsored Research Per DDSE	Nationwide Rank	Other Income Per DDSE	Nationwide Rank	Total Revenues Per DDSE	Nationwide Rank
8	$ 9,106	2	$ 6,952	9	$51,962	1
11	15,629	1	2,320	33	41,445	2
36	6,078	4	2,843	27	41,210	3
56	274	43	3,864	19	37,888	4
44	4,739	6	8,871	5	34,358	5
45	2,351	10	4,447	14	33,394	6
30	818	28	5,682	12	33,247	7
50	1,991	13	3,161	25	32,975	8
40	52	52	8,427	8	32,044	9
49	500	35	1,077	53	31,448	10
22	330	41	8,540	6	30,240	11
48	454	36	1,785	39	28,367	12
4	2,608	9	3,288	24	27,847	13
37	3,265	8	3,409	21	27,566	14
42	128	48	1,090	52	27,034	15
28	801	29	2,677	28	27,026	16
54	1,292	21	2,368	30	27,023	17
52	7,970	3	12,138	3	26,954	18
15	1,868	16	4,456	13	26,773	19
25	1,201	22	8,440	7	25,676	20
19	4,808	5	9,401	4	25,360	21
33	3,948	7	2,325	32	25,082	22
2	1,400	19	3,546	20	24,806	23
16	1,508	18	4,070	17	23,237	24
58	1,295	20	2,053	36	22,691	25
21	903	25	1,601	40	22,045	26
13	441	37	6,598	11	21,486	27
43	308	42	948	56	21,476	28
1	857	27	1,441	46	21,476	29
58	34	55	4,218	16	20,453	30
32	573	32	2,307	34	20,316	31
57	869	26	12,876	2	20,048	32
41	654	31	1,588	41	20,017	33
23	0	56	3,328	23	19,752	34
3	38	54	6,935	10	19,568	35
5	2,096	12	3,928	18	19,064	36
31	742	30	3,365	22	18,706	37
26	980	24	529	59	18,602	38
55	40	53	14,716	1	18,158	39
38	245	44	1,561	44	17,568	40
9	1,955	15	2,004	37	17,539	41
14	2,300	11	2,505	29	17,184	42
39	0	56	1,168	51	16,910	43
51	1,965	14	2,073	35	16,877	44
20	1,017	23	2,941	26	16,547	45
6	0	56	4,229	15	16,438	46
18	1,717	17	1,403	48	16,302	47
29	56	51	1,439	47	15,879	48
46	191	46	895	57	15,766	49
27	94	49	1,568	43	15,393	50
47	165	47	1,319	49	15,225	51
34	333	40	1,472	45	13,919	52
53	0	56	1,799	38	13,687	53
10	369	39	2,347	31	13,455	54
7	436	38	1,255	50	12,730	55
17	58	50	1,056	54	12,405	56
12	195	45	1,584	42	12,051	57
24	569	33	966	55	11,226	58
35	545	24	573	58	11,043	59
						60
	1,613		3,657		22,796	
	2,639		3,198		8,393	

tions per DDSE. No other state provided a higher dollar amount per DDSE than the $30,613 provided by the State of Mississippi. Only three schools, the University of Texas at San Antonio, the University of Southern Illinois, and the University of South Carolina, received higher percentages of their total revenue per DDSE from state appropriations. Also, only three schools, the University of Connecticut, the State University of New York at Stony Brook, and the University of Alabama, received more total revenue per DDSE in FY 1981 than the University of Mississippi Dental School.

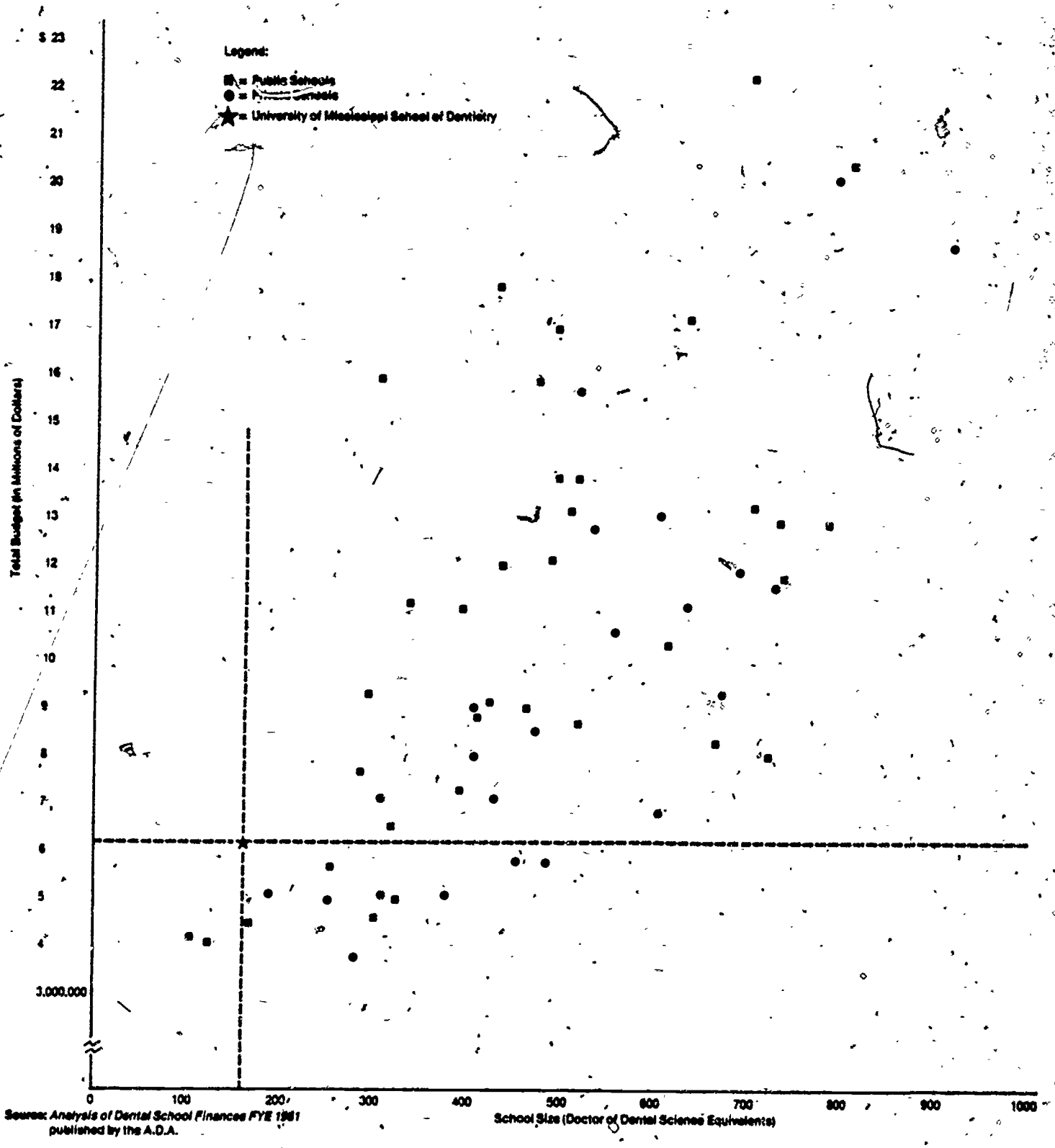
In FY 1981, the Dental School Ranked Low Nationwide in Sponsored Research Revenue, Tuition Income, and Clinic Income

Mississippi ranked 43rd out of the nation's 59 ranked dental schools in the total amount of sponsored research generated per DDSE during FY 1981. Also, on a nationwide basis, Mississippi was 37th in revenues per DDSE generated by tuition and fees, making it a relatively inexpensive dental school for students to attend. It ranked 56th out of 59 schools in clinic income per DDSE as a source of revenue.

Comparisons of the school's total budget to the estimated budgets of other dental schools nationwide, depicted in the scatterplot presented in Exhibit 12 on page 31, indicates that eleven dental schools educate more than Mississippi's 163 DDSEs with less total budget, while no dental school educates fewer DDSEs with a budget equal to or greater than Mississippi's total budget of approximately $6 million.

EXHIBIT -12

A COMPARISON OF SCHOOL SIZE TO TOTAL REVENUES FOR ALL UNITED STATES DENTAL SCHOOLS FY 1981



Source: *Analysis of Dental School Finances FYE 1981* published by the A.D.A.

NOTE: Estimated from Revenue per DDSE

Clinic Facility Utilization

The Dental School Did Not Efficiently Utilize Available Clinical Chair Space for Academic Years 1980-81 and 1981-82

The Dental School has 172 operational dental chairs in its eight teaching clinics. All of the chairs are fully equipped to provide the dental student with the fixed equipment necessary to perform either general clinical procedures or procedures peculiar to the given department (e.g., radiology, oral surgery, etc.). The distribution of the chairs among the eight clinics is shown in Exhibit 13 below.

EXHIBIT 13

AVAILABLE DENTAL CHAIRS IN ACADEMIC YEARS
1980-81 AND 1981-82

Clinic	Number of Chairs
Community and Oral Health	21
Oral Pathology/Radiology*	8
Oral Surgery	7
Endodontics	12
Periodontics	16
Pediatric Dentistry	16
Orthodontics	12
Restorative Dentistry	80
TOTAL	172

SOURCE: Office of the Dean, Educational Programs and Research.

*The Oral Pathology/Radiology (OP/OR) clinic is unique as a training clinic in that dental students are required only to demonstrate a technical proficiency before being allowed to have their X-rays taken for them by technicians. As a result, any attempt to measure student utilization rates in OP/OR or include the clinic in a utilization analysis would be distorted.

According to data collected by the Dental School between May, 1980, and February, 1981, utilization of available chair space was inefficient during that time period. Exhibit 14 on page 33 shows that the percent-

age utilization ranged from a low of 11 percent in the orthodontics clinic to a high of 44 percent in the restorative clinics. Utilization in all clinics combined was only 31 percent. (These utilization rates are based on daily clinic hours made available by the Dental School, rather than total clinic hours which could be made available if the clinics were open 8 hours per day. See Appendix A on page 106.)

EXHIBIT 14

UTILIZATION OF CLINICS BY ALL STUDENTS
1980-81

Department	Total Chair Hours Available	Total Chair Hours Used	Percent Utilization
COH	11,415	3,332	29%
Restorative	31,728	13,798	44
Endodontics	6,162	1,938	31
Oral Surgery	7,448	910	12
Orthodontics	5,236	579	11
Pediatric	9,968	1,987	20
Periodontics	8,050	2,149	27
OP/OR	N/A	N/A	N/A
TOTAL	80,007	24,693	31%

SOURCE: Office of the Dean, Educational Programs and Research.

NOTE: Data collected summer, fall, and winter quarters of the 1980-81 academic year.

For academic year 1981-82, the Dental School reported improvement in clinic utilization rates for the summer, fall, and winter quarters. In Exhibit 15 on page 34, the Dental School excluded two additional clinics from the 1981-82 analysis as not appropriate due to the fact that these clinics were changed from being open for a pre-determined number of hours to being open on an as needed basis. Of the remaining 5 clinics analyzed, 4 showed increases in percent utilization in 1981-82

over the 1980-81 school year. One clinic, the restorative clinic, showed a 5 percent decrease, while utilization in all clinics combined increased 11 percent to a reported 42 percent.

A close analysis of the 5 clinics for which data was available during the 1981-82 school year shows a 19 percent decrease in the total chair hours made available for student use during the quarters under study. For these same 5 clinics there was only a 3 percent increase in the total chair hours used. In effect, the increase in utilization was largely achieved through the reduction in scheduled clinic time rather than any significant increase in student use.

EXHIBIT 15

UTILIZATION OF CLINICS BY ALL STUDENTS
1981-82

Department	Total Chair Hours Available	Total Chair Hours Used	Percent Utilization
COH	7,996	3,945	49%
Restorative	33,363	12,872	39
Endodontics	4,128	2,061	50
Oral Surgery	N/A	N/A	N/A
Orthodontics	N/A	N/A	N/A
Pediatrics	5,928	1,916	32
Periodontics	5,004	3,119	62
OP/OR	N/A	N/A	N/A
TOTAL	56,419	23,913	42%

SOURCE: Office of the Dean, Educational Programs and Research.

NOTE: Data collected summer, fall, and winter quarter of the 1981-82 academic year. Spring quarter data not included for comparative purposes.

The Dental School's Utilization Rates for Clinic Chairs Are Overstated

In Exhibits 14 and 15, on pages 33 and 34, the Dental School computed the "available" chair hour total using the number of chairs made available for student use during the quarters in which data was collected, rather than on the total number of chairs actually in the clinics. While this may be an accurate reflection of how students are using the chair hours made available to them, it does not reflect proportionate use of total chair hours which the Dental School is capable of providing.

During a Given Quarter, the Dental School Has an Estimated 59 Clinical Chairs Which Are Not Used

PEER estimates that the figures for total chair hours available used in Exhibit 14 were computed using a maximum of 105 chairs (excluding the 8 chairs in the OP/OR clinic), which is 64 percent of the total chairs available in the 7 remaining Dental School clinics. This 105 chair figure was estimated using the total of the highest number of chairs open at one time in each clinic during the academic quarters under study and, as a result, is a liberal estimate of the total number of chairs made available for student use. This analysis indicates that the Dental School generally has an estimated 59 dental chairs located in 7 clinics which are sitting idle during a given academic quarter. During the summer, fall, and winter quarters of 1980-81, the Dental School made the estimated 105 clinic chairs available to students for a total of 80,007 chair hours. The school theoretically could have made available 164 clinic chairs, which would have resulted in a total of approximately 124,963 available chair hours. Therefore, the Dental School does not have sufficient students or programs to make optimal use

of the total chair hours available. However, PEER does not support the creation of new programs for the sole purpose of using the excess chairs available because the Dental School already offers more curriculum hours of clinical instruction than any other four-year dental school.

The Dental School Inefficiently Utilizes Overall Clinic Space

Mississippi's instructional philosophy of total patient care and problem-oriented dentistry demands that all clinics be available to the students when the need for that particular specialty arises. As a result, a given clinic often is kept open and staffed whether one student or 10 students need the use of the facility. Likewise, the number of students needing a particular clinic at a particular time cannot be accurately predetermined, since students are not required to perform specified procedures at specified times, as is true in the traditional departmental system. These factors contribute to a less efficient utilization of clinic space and manpower.

Learning Resources Facility Utilization

The UMC Learning Resources Division, which is staffed by professionals specially trained in communications methodology, was created to assist all Medical Center faculty in the use of audiovisual media. As such, it was designed to reduce the need for "free standing" learning resource centers in the Medical Center complex, including the Dental School. A centralized Learning Resources Division allows a higher quality product to be produced by pooling resources to obtain better equipment and a more specialized staff. The Dental School and other UMC divisions are assessed annual allocations by the UMC Comptroller for the operation of the UMC Learning Resources Division. Although the Dental

Schools pays for and has access to the UMC Learning Resources Center, it maintains self-contained learning resources for photographic equipment and supplies and for a television production studio. These self-contained areas defeat the purpose of an overall centralized learning resources center.

The Dental School Maintains Photographic Equipment and Supplies Independent of the UMC Learning Resources Division

According to the Dental School's administration, most of the school's photography is performed by the UMC Learning Resources Division. However, the school maintains an independent photography laboratory reportedly for use primarily in the research area. The school does not maintain any utilization schedules to justify the need for the photography lab.

The school's expenditures for the photography lab for the past two academic years are detailed below:

Category	Academic Year 1980-81	1981-82
Photographic/Reproduction Supplies	$17,207	$16,249
Audiovisual Supplies	15,562	6,602
Personnel	17,416	$16,732
TOTAL	$50,185	$39,583

In 1980-81, the total amount expended by the Dental School on its own photography lab was almost equal to its total UMC Learning Resources allocation. For 1981-82, the Dental School's photographic expenditures amounted to 77 percent of its learning resources allocation. The costs of the Dental School's photography lab indicate that the school uses its own revenue resources for services which could be performed by the

centralized Learning Resources Center, whose budget is partially supported by the Dental School through an annual allocation.

The Dental School Maintains a Television Production Studio Independent of the Learning Resources Division

The Dental School presently maintains a fully operational television production studio which is operated by personnel from the UMC Learning Resources Division. The Dental School is the only Medical Center division which has its own television production capability independent of the UMC Learning Resources Division. However, the Dental School could not verify with utilization schedules optimum use of the studio or the need for in-house television production facilities. This "free standing" studio results in a duplication of learning resource efforts and poor utilization of valuable equipment.

Dental School Applicants

Dental School Applications Are Declining Nationwide

According to the June, 1982 issue of the Journal of the American Dental Association (JADA), since 1975, there has been a substantial reduction in the total number of applicants seeking admission to dental schools nationwide. In 1975, JADA reported a total of 14,900 applicants nationwide. For the 1981 entering class, the number of applicants nationwide had dropped to 8,200, an approximate decrease of 45 percent in the applicant pool. According to the JADA report, this downward trend in dental school applications is likely to continue for the next several years due to federal government cutbacks in support for dental education and the resulting increase in the cost of dental education which must be passed along to the student in the form of higher tuitions.

The University of Mississippi Dental School Admits Only In-State Residents as Dental Students

Although the Dental School's position on the admission of out-of-state applicants is stated in the UMC Bulletin as "preference" given to residents of Mississippi, the school has never admitted an out-of-state student. It is the position of the Dental School that there have been sufficient in-state applicants to justify non-acceptance of out-of-state students. In effect, then, while out-of-state students may apply, none has ever been accepted, making the de facto policy at the Dental School Mississippi residents only. Future acceptance of non-resident dental students appears remote due to the 205 percent increase in out-of-state tuition from $2,964 per year in academic year 1981-82, to $9,038 per year in academic year 1982-83.

The Dental School Is Experiencing a Decline in the Number of Dental Student Applications It Receives

From 1975 to 1982, the number of in-state residents who applied for admission to the Dental School decreased by approximately 59 percent. The in-state applicants numbered 165 in 1975, and 68 in 1982. The out-of-state pool has shown a great deal more variance with a high of 522 applicants in 1977, and a low of 18 in 1979. This extreme variance in out-of-state applications causes the overall applicant pool variance to be distorted with a high of 607 total applicants in 1977, and a low of 98 total applicants in 1980. Ignoring the yearly variations, however, there was a 56 percent decrease in the total applicant pool between the 1975 total of 517 and the 1982 total of 226 applicants. The school's preference policy of accepting only Mississippi residents compounds the problems of a diminishing applicant pool since in practice out-of-state applicants are neither recruited nor accepted.

Recommendations

1. The Dental School should reduce its costs and relatively high dependence on state general funds for its operation.

2. The Dental School should generate more of its own funding and rely less on state appropriations. In an effort to do this, the school should consider future student tuition increases in an effort to make the student pay a more proportionate share of his educational costs and aggresively attempt to collect delinquent patient accounts receivable.

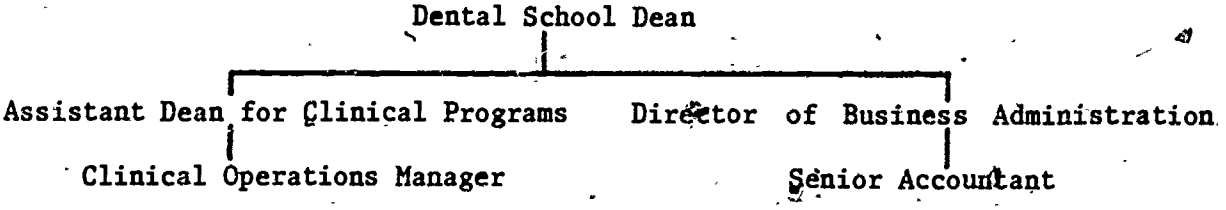
3. The Dental School should initiate a detailed and comprehensive clinic utilization study in an effort to more efficiently allocate space and utilize available resources. Present efforts in this area have resulted in better allocation of time, but little improvement in actual space and resource utilization. Consideration should be given to combining clinics and utilizing the newly created space for future dental school programs not requiring additional funding or current programs of other Medical Center departments.

4. All Dental School television studio production equipment and photographic laboratory equipment and supplies should be transferred to the UMC Learning Resources Division, with the school maintaining only its closed circuit videotape system. If the school continues to have a need for a photographic laboratory for research purposes, the lab should be funded solely from research grants and not from state general funds.

ACCOUNTING PROCEDURES AND RELATED CONTROLS

Introduction

The Dean of the Dental School is responsible for the financial management and accounting functions performed by the school. According to the school's current organizational structure, the Dean has divided the financial management and accounting responsibilities between two departments, the Office of Business Administration and the Clinical Programs Department. Within these two sections, financial responsibilities lie with the school's Director of Business Administrator (hereafter referred to as the Business Administrator), Senior Accountant, Assistant Dean for Clinical Programs, and Clinical Operations Manager. The following chart presents the organizational structure of Dental School personnel with financial responsibility.



In an effort to analyze the effectiveness of this structure, PEER reviewed the job descriptions and responsibilities of the positions involved, as well as the workflow of the accounting function. The review indicated the following.

1. When promoted in 1976, the present Business Administrator was minimally qualified for the position. At that time, the job description required the individual to have a B.A. degree and a minimum of two years of work experience. The present Business Administrator has a B.S.

degree in Business Statistics and Data Processing with work experience as a UMC Computer Services employee. The current job description for the position requires a B.S. or B.A. degree in accounting with a minimum of two years work experience in a related field. Current procedures for upgrading positions allow requirements to be changed but do not require that incumbents comply or take steps to comply with these new requirements.

2. The job descriptions reviewed contain conflicting and duplicate assignments of major duties and responsibilities. According to the job descriptions, the Business Administrator is "administratively responsible for developing and maintaining equipment inventory controls for furniture and dental equipment for all departments in the school." The Assistant Dean for Clinical Programs also is responsible for "systems development, modification, and maintenance of dental equipment inventory system."

3. Supervisory duties listed on the job descriptions conflict with the organizational structure. For example, intramural private practice clinic personnel performing accounting duties report to the Clinical Operations Manager rather than the Business Administrator. However, the Business Administrator's job description states that he is responsible for billing, collecting, and accounting for the intramural practice clinic.

4. No one employee within the school, other than the Dean, has total responsibility for the school's financial management and accounting functions. These responsibilities are primarily shared by the Business Administrator and the Clinical Operations Manager.

Recommendations

1. The Dean should request the UMC personnel office to analyze the job descriptions of all positions with financial responsibility in an effort to make them more consistent and compatible.

2. The Dean, with assistance from the Vice Chancellor for Business Affairs and the UMC Comptroller, should reorganize the school's accounting structure. The Business Administrator should be made solely responsible for the supervision and maintenance of the school's financial management and accounting functions.

UMC/Dental School Accounting System Overview

The UMC Accounting Department prepares all Dental School accounting entries and records them in four basic types of funds - current funds, grants and contracts, endowment and similar funds, and agency funds. Current funds include unrestricted general funds which are used for normal operations and restricted funds which may be expended only for the specific purpose designated by the donor, grantor, or Dental School administration. The second type, grants and contracts, represents commitments of various sponsors to provide funds for specific research and training projects. Endowment and similar funds record donated funds restricted by gift instruments requiring that the principal be invested and only the income from such investment be utilized. Term endowments allow some or all of the principal to be expended after a certain period of time has passed or a certain event has occurred. Scholarship funds typically are endowment or term endowment funds. The fourth type, agency funds, accounts for assets which the Dental School maintains as a custodian for another group, such as intramural practice or the Dental Alumni Association. Agency funds are not available for funding Dental School operations.

Activity of restricted funds is presented in monthly budget fund statements describing receipts, expenditures, and unexpended fund balances. Budget fund statements for each fiscal year are summarized and included in the UMC year-end financial report. Restricted funds are listed in total in the UMC balance sheet and statement of revenues and expenditures. Changes in fund balances of restricted funds are detailed in schedules supporting the summary statement of changes in fund balances for all UMC restricted funds. Changes in various account balances

of unrestricted funds are reported in monthly income ledger and general ledger trial balances, which are consolidated into the UMC financial statements. The comparative balance sheet in Exhibit 16 on page 45 and the comparative statement of revenues and expenditures in Exhibit 17 on page 47 illustrate the Dental School's financial position for FY 1981 and FY 1982.

Dental School Financial Data Generated and Recorded by the UMC Accounting Department

Investments. The Comptroller's office deposits the cash of all UMC schools/departments into a pooled silver savings account. When the excess of cash in savings over cash needed in the short-term for normal operations is sufficient to invest at a more profitable rate of return, the Comptroller purchases certificates of deposit. The UMC Accounting Department prepares the entries to record investments in savings and certificates of deposit for all schools/departments. The general ledger detail and trial balance reflect cash balances for the Dental School and other UMC departments separated by investment category.

Interest Income. The Comptroller's office determines the amount of investment interest income attributable to each UMC department. Interest earned on certificates of deposit is allocated to the departments based on their proportionate share of total cash invested in certificates of deposit. The UMC Accounting Department records this interest on certificates of deposit as interest income for the Dental School and other investing departments. Interest earned on silver savings is used to reduce total service center charges prior to the allocation of these charges to the various departments. The income ledger detail and trial balance reflect income from interest on certificates of deposit.

EXHIBIT 16

DENTAL SCHOOL
CURRENT UNRESTRICTED FUNDS
COMPARATIVE BALANCE SHEET
(UNAUDITED)

Account	June 30, 1981	June 30, 1982	Increase (Decrease) Amount	Increase (Decrease) Percent
Assets				
Cash				
Petty Cash	$ 245	$ 245	$ -	0%
Cash in Bank - Savings	125,826	272,818	146,992	117
Certificates of Deposit	500,000	250,000	(250,000)	(50)
Total Cash	$ 626,071	$ 523,063	$(103,008)	(16)%
Inventory				
Central Supply	$ 212,069	$ 199,005	$ (13,064)	(6)%
Gold	37,531	24,745	(12,786)	(34)
Preclinical Supply[1]	-	104,565	104,565	-
Total Inventory	$ 249,600	$ 328,315	$ 78,715	32%
Accounts Receivable				
Patient Accounts Receivable[2]	$ 86,602	$ 184,653	$ 98,051	113%
Reserve for Uncollected Clinic Income[3]	-	(27,847)	(27,847)	-
Tuition and Fees Receivable	83,738	135,417	51,679	62
Allowance for Uncollectible Tuition	(488)	(1,149)	(661)	(135)
Interest Receivable	910	4,200	3,290	362
Due From Plant Fund	-	209,562	209,562	-
Net Accounts Receivable	$ 170,762	$ 504,836	$ 334,074	196%
Prepaid Expenditures	9,352	13,819	4,467	48%
TOTAL ASSETS	$1,055,785	$1,370,033	$ 314,248	30%
Liabilities and Fund Balance				
Liabilities				
Accounts Payable				
Salaries and Wages Payable	$ 27,155	$ 40,652	$ 13,497	50%
Vouchers Payable	29,049	86,835	57,786	199
Accounts Payable Year-End Adjustments	5,901	5,347	(554)	(9)
Total Accounts Payable	$ 62,105	$ 132,834	$ 70,729	114%
Deferred Student Fees	$ 86,241	$ 128,520	$ 42,279	49%
Other Accrued Liabilities - Accrued Vacation	-	209,562	$ 209,562	-%
TOTAL LIABILITIES	$ 148,346	$ 470,916	$ 322,570	217%
Fund Balance				
Allocated-Reserve for Encumbrances-Prior Year	$ 189,127	-	$(189,127)	(100)%
Unallocated	718,312	899,117	180,805	25
TOTAL FUND BALANCE	$ 907,439	$ 899,117	$ (8,322)	(1)%
TOTAL LIABILITIES AND FUND BALANCE	$1,055,785	$1,370,033	$ 314,248	30%

SOURCE: UMC Trial Balance By Division.

NOTES TO COMPARATIVE BALANCE SHEET

(1) Supplies maintained in the pre-clinical supply room were excluded from inventory prior to June 30, 1982. On June 30, 1982, these supplies represented 31.85 percent of total inventory reported for the Dental School. (See page 60.)

(2) The balance of total patient accounts receivable includes patient accounts receivable which have not yet been attributed to specific patients. These miscellaneous receivables were $982 on June 30, 1981, and $845 on June 30, 1982. The total accounts receivable used for aging purposes on June 30, 1982, were $183,808 or total patient accounts receivable of $184,653 less miscellaneous receivables of $845. (See page 66.)

(3) The balance in reserve for uncollected clinic income of $27,847 represents accounts receivable which were inappropriately written off to bad debt expense in prior years. The entry creating the reserve was a reversal of all bad debt expenses and served to record previously written-off accounts receivable. (See page 64.)

EXHIBIT 17

DENTAL SCHOOL
CURRENT UNRESTRICTED FUNDS
COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES
(UNAUDITED)

Account	June 30, 1981	June 30, 1982	Increase / (Decrease) Amount	Percent
REVENUES				
Student Fees				
Tuition	$ 279,946	$ 324,743	$ 44,797	16%
Uncollectible Tuition and Fees	-	(661)	(661)	-
Instrument Fees	63,278	69,465	6,187	10
Other Fees	-	(15)	(15)	-
Total Student Fees	$ 343,224	$ 393,532	$ 50,308	15%
Clinic Income				
Services	$ 194,195	$ 258,625	$ 64,430	33%
Free Care	(1,220)	(2,800)	(1,580)	(130)
Bad Debts	641	(19)	(660)	(103)
Discounts	(1,619)	(1,114)	505	31
Contract Adjustments	(73)	(675)	(602)	(825)
	$ 191,924	$ 254,017	$ 62,093	32%
Interest Income	$ 55,703	$ 41,315	$ (14,388)	(26)%
Income from Indirect Costs	$ 14,001	$ 16,683	$ 2,682	19%
Concession Receipts	$ 2,191	$ 3,188	$ 997	46%
Miscellaneous Income	$ 16,613	$ (533)	$ (17,146)	(103)%
State Appropriation	$5,002,105	$5,425,043	$ 422,938	8%
TOTAL REVENUES	$5,625,761	$6,133,245	$ 507,484	9%
EXPENDITURES				
Instruction	$4,377,794	$5,026,507	$ 648,713	15%
Academic Support	$ 557,612	$ 720,907	$ 163,295	29%
Institutional Support	$ 242,282	$ (47,551)	$(289,833)	(120)%
Operation and Management of Physical Plant	$ 518,379	$ 549,558	$ 31,179	6%
TOTAL EXPENDITURES	$5,696,067	$6,249,421	$553,354	10%
REVENUE OVER (UNDER) EXPENDITURES	$ (70,306)	$ (116,176)	$(45,870)	65%

SOURCE: UMC Trial Balance By Division.

Service Area Allocation. The UMC Accounting Department compiles total allocable costs from the computer center, physical plant service area, institutional support service areas, and academic support service areas to compute the operational overhead costs to be charged to each UMC department and auxiliary enterprise. As previously stated, total allocable costs are reduced by total interest earned on silver savings investments. The UMC Accounting Department allocates remaining service costs to its departments and auxiliary enterprises. Exhibit 18 on page 49 summarizes the bases used for the allocation of service area costs and the actual Dental School service area allocations for FY 1982.

The UMC Accounting Department records estimated service area charges for the Dental School each month. The year-end computations serve as the basis for any adjustments needed to reconcile estimated charges with actual charges. The Monthly Proof Balance for Financial Statements reflects each month's charges allocated to the Dental School and enables the school to review its service area charges.

Income From Indirect Costs. Several grants awarded to the Dental School include funds to be used for indirect expenses. The UMC Accounting Department records these funds as Dental School income from indirect costs. The income ledger detail and trial balance reflect such income.

Concession Receipts. The UMC Accounting Department receives income from all vending machines in the Medical Center Complex and prepares appropriate journal entries for each department. The income ledger trial balance reflects monthly income from concessions for the Dental School. The Dental School Business Administrator receives these income ledger trial balances from the UMC Accounting Department to allow review of concession income by Dental School personnel.

EXHIBIT 18

DENTAL SCHOOL
FY 1982 SERVICE AREA ALLOCATIONS

Service Area	Allocation Bases	FY 1982 Service Area Allocations
Computer Center	Direct Billings	$ 67,790
Power Plant	Weighted Square Footage	186,989
Building, Maintenance & Grounds	Weighted Square Footage	178,278
Public Safety	Weighted Square Footage	37,954
General and Administration	Modified Total Expenditures	51,479
Purchasing and Receiving	Modified Contractual, Commodities & Equipment Expense	8,454
Personnel and Employee Health	Number of Budget Positions	27,959
Payroll	Number of Weighted Budget Positions	10,110
Accounting	Number of Accounting Transactions	48,990
Telephone	Special Study	13,370
Supervision	Number of Students	7,772
Registrar	Number of Students	33,504
Learning Resources	Number of Students, Interns, Residents	51,180
Library	Number of Students, Interns, Residents	83,545
Continuing Education	Number of Programs	8,502
		$815,876

SOURCE: UMC Comptroller.

Tuition. The UMC bursar and registrar provide the Accounting Department with documentation supporting entries for Dental School tuition income and receivables. The Accounting Department prepares appropriate entries and produces income ledger and general ledger reports reflecting these entries. The Business Administrator receives each of these reports, allowing him to review the Dental School's tuition income and receivables.

Equipment and Fixed Assets. The UMC Property Control Division records purchases, disposals, and interdepartmental transfers of equipment and other fixed assets in a memorandum account or group, disclosed separately in the UMC financial statements. This group does not appear as an asset on the balance sheet but serves as a control over fixed assets and a memorandum record of equipment and other fixed assets actually on hand. The Dental School receives various periodic reports detailing all equipment assigned to it by the Property Control Division.

Financial Data Generated by Dental School Personnel and Recorded by the UMC Accounting Department

Inventory of Supplies (Central Supply and Pre-Clinical Supply). The Business Administrator and Assistant Dean for Clinical Programs are responsible for managing the overall controls of the dental supply inventory, including an actual physical inventory at the end of each fiscal year. The value of the supply inventory recorded in the year-end financial statements reflects the results of this physical inventory. No changes in the supply inventory balance are recorded in the UMC accounting records except at the end of each fiscal year.

Inventory of Gold. The Business Administrator reports the value of gold on hand at the end of each fiscal year to the UMC Accounting De-

partment. The Accounting Department records this value in the accounting records and eventually in the year-end financial statements. No periodic entries to the gold inventory are recorded to reflect fluctuations in the balance of gold during the year.

Encumbrances/Expenditures. All expenditures from any type of Dental School fund must be approved by designated Dental School personnel. The levels of approval required depend on the nature and amount of the expenditure. Properly approved purchase requisitions originated by Dental School personnel support entries which the UMC Acounting Department records as encumbrances on or expenditures from Dental School funds. Reports which reflect encumbrances and/or expenditures include the Monthly Proof Balance for Financial Statements, Monthly Outstanding Purchase Order Register, Monthly Budget Comparision Summary, and departmental budget statements.

Patient Accounts (Professional Fee System). The Patient Accounts Section of the Dental School processes data recording daily clinic activity through the professional fee system (PFS). This system produces reports of submitted daily batch information and summaries of monthly activity. Financial information from the Dental School clinics processed through the PFS includes services charged (clinic income), patient accounts receivable, cash collected from patients, free care expense, contractual adjustments (Medicaid adjustments), and reserve for uncollectible patient accounts. Fees for dental treatment are charged according to a standard fee schedule used for all Dental School patients.

The Clinical Operations Manager, who is in charge of the Patient Accounts Section, reviews PFS monthly summaries and forwards these

summaries to the UMC Accounting Department. The Accounting Department prepares monthly journal entries recording dental clinic operations from these summaries. Income ledger and general ledger trial balances reflect this activity and are distributed in printout format to the Business Administrator. The Business Administrator also receives a manually prepared summary of monthly clinic activity from the Clinical Operations Manager.

Intramural Practice (Professional Fee System). Intramural practice is the private practice program for Dental School clinical faculty. (See page 93 for additional details.) Intramural practice clinic personnel, under the supervision of the Clinical Operations Manager, process intramural practice daily account activity through the PFS. Reports produced through this system include monthly summaries of intramural practice activity and reports of practicing members' income and appropriate deductions from income. These reports support entries into the various intramural practice agency funds by the Accounting Department. Intramural practice expenditures are recorded through the same process as all other Dental School expenditures. The UMC Accounting Department prepares intramural practice entries and sends the Dental School Business Administrator monthly budget fund statements reflecting these entries.

Financial Data Generated Jointly by the Dental School and UMC Accounting Department

Grants. The Dental School requests grants from various sponsors for specific training and research projects. Both the Dental School and the UMC Comptroller's Office receive notice of grant awards for dental projects. The UMC Accounting Department receives the grant funds and prepares related entries for the accounting records. The Accounting

Department also has full control over any Dental School grant funds designated for financing indirect expenses. Dental School personnel can request that certain expenditures be funded from approved grants. The Comptroller's office reviews these expenditure requests to determine whether such requests meet all restrictions on the use of available grant funds and informs the Dental School of its decision to approve or disapprove the request. The Accounting Department prepares monthly fund budget statements reflecting all grant income and expenditures and distributes these statements to the Business Administrator. (See Exhibit 19 on page 54 for a detailed listing of Dental School grants in effect during FY 1982.)

The U. S. Department of Health and Human Resources audited direct costs charged to federal grants and contracts for the entire Medical Center for FY 1979 through FY 1981. The purpose of this audit was to determine whether the established management systems and fiscal controls were adequate to insure that these direct costs were allowable according to the applicable federal regulations, cost principles, program guidelines, and terms and conditions specified by the awarding agencies. The results of this audit indicated that the Medical Center management and fiscal controls were generally acceptable to achieve the above objectives.

Instrument Fees and Deposits. The UMC Bursar collects instrument fees and refundable deposits from dental students and reports these Dental School receipts to the UMC Accounting Department. The Accounting Department prepares appropriate journal entries and distributes general ledger and income ledger reports reflecting these transactions to the Business Administrator. Students withdrawing or graduating must also

EXHIBIT 19

DENTAL SCHOOL
FY 1982 RESTRICTED FUND ACTIVITY

	Beginning Free Balance July 1, 1981	Current Year Activity: Awards/ Transfers	Expenditures	Net Income (Costs) From Indirect Expenses	Net Change In Encumbrances	Ending Fu Balance June 30, 19
Current Restricted Funds						
Immune Response to Antigens of Bacteria	$ -0-	$ 9,253	$ 3,512	$ -	$ -	$ 5,741
C.C. Bass Memorial Room	796	3,000	700	-	-	3,096
Scanning Electron Microscope	932	3,793	3,254	-	(27)	1,499
Thomas P. Hinman Dental Study	115	-	115	-	-	0
Effect of Fluroide	172	-	177	-	-	(5)
RWJ Health Fellowship for Ames Tryon	-	35,400	28,255	-	-	7,145
School of Dentistry-Audiovisual Products	-	2,000	1,019	-	-	981
School of Dentistry-Dean's Unrestricted Fund	-	1,225	230	-	-	995
Maternal and Child Health-Dental Program*	-	60,600	41,566	(10,434)	390	(13,791)
Total Current Restricted Funds	$ 2,015	$ 95,271	$ 80,828	$(10,434)	$ 363	$ 5,661
Current Public Health Service Federal Funds						
Capitation Grant	$ 1,510	$ -	$ -	$ -	$ -	$ 1,510
Capitation Grant-Dentistry	74	-	74	-	-	-
Capitation Grant-Dentistry	17,436	-	28,976	-	(11,536)	(4
Health Professions Capitation Grant	86,496	-	33,343	-	5,817	47,336
Health Professions Start-Up Assistance	9,171	-	(432)	-	-	9,603
Specificity of CMI Response in Periodontal Disease**	1,168	(1,174)	(7)	-	-	-
Specificity of CMI Response in Periodontal Disease**	19,286	(142)	12,829	(4,888)	(781)	2,208
Specificity of CMI Response in Periodontal Disease**	-	40,219	7,180	13,686	1,020	45,706
Short-Term Research Training**	-	8,040	1,687	508	-	6,861
Organic Oligomers for New Hydropholic Dental Cements**	-	37,500	7,445	11,157	947	40,265
Residency Training-General Practice**	-	159,809	13,351	13,369	81,603	78,224
Residency Training-General Practice**	-	97,178	-	7,774	-	104,952
Total Current Public Health Service Federal Funds	$135,141	$341,430	$104,446	$ 41,606	$ 77,070	$336,661
Current Endowment Funds						
L. W. Brock Memorial Endowment Fund	$ -	$ 111	$ -	$ -	$ 111	$ -
School of Dentistry-MDA Scholarship	-	(158)	-	-	(158)	-
Total Current Endowment Funds	$ -	$ (47)	$ -	$ -	$ (47)	$ -
Curent Scholarship Funds***						
C. M. Wells Scholarship Fund	$ 548	$ 300	$ 400	$ -	$ -	$ 348
MDA Scholarship Fund	-	650	100	-	-	550
Total Current Scholarship Funds	$ 548	$ 850	$ 500	$ -	$ -	$ 898
Total Restricted Funds	$137,704	$437,504	$185,774	$ 31,172	$ 77,189	$343,370

NOTE: Per discussion with Dental School personnel and UMC Accounting Department personnel, this list includes all restricted funds maintained on behalf of the Dental School during FY 1982.

*State Grant
**Federal Grant
***The detailed schedules of changes in fund balances for all UMC scholarship funds were inadvertently omitted from the year-end financial report; however, these funds are included in total restricted funds presented in the year-end financial report

pay instrument fees for failure to return all Dental School instruments in satisfactory condition. The Dental School accountant collects the charges assessed for damaged or lost instruments and deposits these receipts with the bursar, who in turn sends the UMC Accounting Department notice of these deposits. The Accounting Department prepares appropriate journal entries, which are reflected in the general ledger and income ledger reports which the Dental School receives.

Analysis of the Dental School's Accounting Function

The Dental School, in conjunction with the UMC Accounting Department, uses various internal accounting controls to achieve its primary objectives of safeguarding assets and checking the accuracy and reliability of accounting data. In order to evaluate the performance of the school's accounting controls, it is first necessary to establish the characteristics which should be present in an effective accounting system. According to AICPA Professional Standards (Volume I, AU Section 320.35-320.48, Statement on Auditing Standards No. 1), the following specific characteristics of an accounting control system are necessary to provide reasonable assurance that the controls are functioning properly and effectively:

1. Personnel should have competence and integrity.
2. There should be no incompatible functions such that any person is in a position both to perpetuate and conceal irregularities in the normal course of his duties. To accomplish a proper segregation of duties, the system, insofar as possible, should provide for different individuals to perform the functions of (a) authorizing a transaction, (b) recording a transaction, (c) maintaining custody of the assets that result from a transaction, and (d) comparing assets with the related amounts recorded in the accounting records.

3. Authorization for transactions should be issued by persons acting within the scope of their authority and the transactions should conform to the terms of the authorizations.

4. Transactions should be recorded at the amounts and in the accounting periods in which they were executed. The transactions should be recorded in proper accounts.

5. Access to assets should be limited to authorized personnel.

6. There should be independent comparisons of assets with the recorded accountability of these assets.

PEER reviewed the Dental School financial reports and the related internal accounting control system in effect during 1982, through selective tests of accounting records and related data. The purpose of the review of the internal accounting control system was to determine the extent to which controls are effective and to determine which of the aforementioned specific characteristics are present in the current system.

As a result of the review, PEER detected the following overall system weaknesses and deficiencies in the Dental School's financial accounting function:

1. Lack of proper segregation of duties

2. Failure to record transactions in the proper account and accounting period at the proper amount

3. Lack of limited access to assets

4. Lack of independent comparisons of assets with the recorded accountability of these assets.

The following findings describe specific problem areas which contribute to or illustrate the four major areas of weakness.

Due to Inadequate Inventory and Accounting Procedures, the Value of the Dental School's Supply Inventory Is Materially Understated

The Dental School has two primary supply rooms for maintaining various tools, materials, and other supplies used in daily clinic operations. The central supply room supports the teaching clinics and the pre-clinical supply room supports the educational programs courses/clinics. In addition, there are 14 auxiliary supply rooms, stocked with items from the central supply room, which support individual teaching clinics.

The Dental School adjusts its accounting records for supply inventories at year-end to agree with the value of supplies on hand as determined through physical inventories of goods only in the central supply and the pre-clinical supply rooms. These inventories are taken by school personnel with assistance from the State Department of Audit and the UMC Internal Auditor.

Monthly accounting records for the inventory of Dental School supplies do not reflect any purchases and disbursements or disposals of supplies. Therefore, the value of supplies on hand as listed in the interim accounting records is misstated. (See Control Objective 4 on page 56.)

Supplies issued from the central supply room to auxiliary supply rooms are considered expended at the time of issuance, even though these supplies actually may not be consumed for weeks or months in the future. The supplies in these auxiliary supply rooms are excluded from the Dental School's inventory and accounting records. PEER counted items in one auxiliary supply room which Dental School personnel classified as medium-sized. Partially consumed items with nominal value were excluded from this count for expediency and conservatism. The estimated value of

the items actually counted is $23,723. While PEER recognizes variations in the size of auxiliary supply rooms and the quantity and type of supplies maintained in each, based on the test count and an analysis of the other auxiliary supply rooms, PEER estimates that the value of unrecorded inventory maintained in auxiliary supply rooms exceeds $250,000. Therefore, the recorded value of the Dental School's supply inventory is materially understated, while expenditures for supplies are overstated. (See Control Objectives 4 and 6 on page 56.)

Established procedures limiting access to auxiliary supply rooms are not in operation, which encourages waste and allows misappropriation of Dental School supplies. As a result, adequate control over access to physical assets is not achieved in the auxiliary supply rooms. (See Control Objective 5 on page 56.)

The Business Administrator is responsible for authorizing year-end adjustments for inventory of supplies, for conducting the physical observation of inventory at year-end, and for approving purchases of supplies. Although supplies on hand are compared to inventory listings, comparison of the value of actual inventories to recorded account balances may not be achieved since the value of physical inventories observed supports all entries to the inventory accounts. (See Control Objectives 2 and 6 on pages 55 and 56.)

Recommendations

1. The Dean or Business Administrator should submit monthly entries reflecting purchases and disbursements of supplies to more fairly present interim inventory balances.

2. The Dean or Business Administrator should perform a physical observation of supplies inventory in auxiliary supply rooms and include the value of such inventory in total supplies inventory.

3. The Dean or Business Administrator should implement a periodic or perpetual accounting system for supplies inventory of auxiliary supply rooms to more fairly present monthly supplies inventory balances.

4. One authorized employee should have custody of and responsibility for supplies in each auxiliary supply room, and access to these supplies should be restricted to that employee.

5. All items on hand should be included in the supply inventory.

6. The Dean should appoint an employee with no responsibilities for accounting for or custody of inventory to compare physical inventory values to recorded inventory balances.

Due to Inadequate Accounting Controls Over Gold, the Value of the Gold Inventory on Hand Was Not Recorded in the Dental School Accounting Records Until June 30, 1981, Six Years After the School Began Classes

Clinical laboratories and pre-clinical laboratories utilize gold in various forms for the preparation of crowns, bridges, overlays/inlays, and other procedures. The major differences in the use of gold in the two labs is that pre-clinical students construct dental work on stainless steel dento-forms rather than on patients. The gold used in this way can be recovered and used again, except for a small amount lost during casting and polishing. In the clinical labs, patients pay laboratory fees to cover the cost of precious metals used in their treatment. As of June 30, 1982, the value of the gold in the central supply room was $5,334, and the value of the gold in the pre-clinic supply room was $19,411.

The Dental School adjusts its accounting records for the gold inventory annually to agree with the value of gold observed during the year-end physical inventory. Monthly accounting records for the gold inventory do not reflect current period purchases or disbursements of gold. Therefore, the value of the gold on hand as listed in the interim accounting records is misstated. (See Control Objective 4 on page 56.)

The Dental School does not periodically compare its gold inventory on hand with the gold supply account in the accounting records. Because of this policy, the Dental School gold supply was not recorded in the UMC accounting records until June 30, 1981, six years after the school began classes and initially purchased a gold supply. (See Control Objective 6 on page 56.)

Current Dental School procedures allow one person to requisition gold, document the receipt of gold, maintain custody of gold, and disburse gold. This practice results in an improper separation of duties and may allow a misappropriation of assets. (See Control Objective 2 on page 55.)

The Education Coordinator (pre-clinical), the Clinical Services Manager (clinical), and the Clinical Chief Laboratory Technician maintain custody of the Dental School's gold supply. Only the gold maintained by the Education Coordinator and the Clinical Services Manager is included in the school's inventory records. The exclusion from the inventory of gold maintained by the chief technician results in the understatement of gold presented in the UMC financial reports. (See Control Objectives 4 and 6 on page 56.)

PEER's review of purchase orders and receiving reports for gold indicated that in at least one instance gold was not received according to proper procedures. In March, 1982, the Restorative Dentistry Department Chairman received gold valued at approximately $500 which was not entered on the clinic or pre-clinic gold inventory or recorded in the accounting records.

Recommendations

1. All transactions affecting the inventory of gold, including purchases and disbursements, should be recorded in the accounting period in which they were executed and by a person without access to the actual gold.

2. Proper internal controls over accounting for gold and physical access to gold should be implemented to ensure that all inventoriable quantities of gold are recorded in the financial records. Management also should conduct periodic reviews of the gold maintained by the Chief Laboratory Technician to ensure that only nominal supplies of gold alloy are available to him.

3. Comparison of results of physical inventory observations to recorded values of gold should be performed by an individual without custody of the actual gold and without authority to record transactions in the account for gold.

Inadequate Accounting and Inventory Procedures Result in the Inability to Detect Unrecorded or Misappropriated Equipment

The Business Administrator serves as the school's property officer with responsibility for over 5,000 pieces of dental-related equipment valued at approximately $3 million. The UMC property office maintains the Dental School equipment on its computerized master inventory file. The Property Control Division of the State Department of Audit conducts a complete inventory of all Dental School equipment at irregular intervals, usually every two or three years. The most recent inventory was completed in March, 1982, with the following results.

State Audit Inventory
January-March, 1982

Total Items Inventoried	Items Unlocated	Percent of Items Unlocated	Value of Inventoried Items	Value of Unlocated Items
5,249	129	2%	$3,102,192	$29,454

During May, 1982, PEER staff inventoried a random sample of 357 items assigned to the Dental School. (PEER utilized a computer-generated random sample with a statistical confidence level of 95 percent and a 5 percent sampling error rate.) The computer program provided to PEER by the Medical Center, from which the sample was selected, did not draw the sample from the full population of equipment assigned to the Dental School. The equipment population used excluded a total of 103 items with a total value of $29,641 which were coded as "location unknown" on the master file. (For the entire Medical Center, 1,050 equipment items with a total value of $385,271 were coded as "location unknown" as of August 31, 1982. See Appendix C on page 122 for a list of the unlocated Dental School items.) According to the UMC Property Control Office, the 103 Dental School equipment items could have been misplaced, reassigned, or simply stolen. Omission of these items from the population distorts the results of the PEER sample inventory listed below.

PEER Inventory
May, 1982

Total Items Inventoried	Items Unlocated	Percent of Items Unlocated	Value of Inventoried Items	Value of Unlocated Items
357	5	1%	$229,260	$755

Equipment inventory procedures in effect at UMC prior to 1978 did not provide the proper controls to insure that all equipment purchased and received by the Dental School was entered on the UMC inventory file. Consequently, an unknown amount of equipment purchased by the Dental School prior to July, 1978, may have been omitted from equipment records and therefore not accounted for. The magnitude of this problem is

difficult to quantify with the data now available, but PEER found one example which indicates that the problem may be significant. A studio television camera located in the school's learning resources center and valued at $34,995 was purchased in February, 1978, and assigned a UMC inventory number upon delivery. However, the UMC property officer, who affixed the number to the camera, failed to complete a UMC Equipment Inventory Record form which would have provided the Computer Services Division with the data needed to enter the camera on the master equipment inventory file. Inventory control procedures in effect at the time did not provide the checks necessary to detect an omission of this nature. Thus, the camera was not entered on the UMC master inventory file and has been in use at the Dental School for over three years with no one assigned responsibility for its custody. The UMC Property Office asked the Dental School in 1981 to survey its equipment and report any items which were not listed on the master equipment inventory printout. The Dental School did not report this valuable piece of equipment. In light of this omission by the UMC Property Office and the Dental School and the poor inventory recordkeeping procedures prior to 1978, any physical inventory ever taken by the Dental School, the UMC Property Control Office, or external auditors using the Dental School equipment inventory list may be inaccurate or incomplete.

Recommendation

1. The UMC Property Control Officer should initiate action to compile an accurate equipment inventory list which represents all equipment for which the Dental School should be held responsible. He should make a reasonable effort to locate items classified as "unlocated" on the current inventory file, correct the location codes of those found, and delete all not found. Once all Dental School equipment is located, it should be assigned to the Business Administrator who should then be held financially responsible for that equipment. The UMC Property Officer should conduct periodic unannounced inven-

tories to insure that inventories are being well controlled. Records of items deleted from the inventory file should be retained on a separate file for investigative purposes. Using this system, the location, type of equipment, and other relevant factors could be monitored for patterns which would allow improved security measures to be developed and implemented.

Due to the Lack of Adequate Credit and Collection Procedures and Poor Patient Accounting Procedures, $127,998 or 70 Percent of the Dental School's Patient Accounts Receivable Recorded as of June 30, 1982, Were Outstanding Over 180 Days and Are Probably Uncollectible

The UMC Accounting Department records Dental School patient accounting summary data in the current month for the prior month's clinic activity. The one-month time lag between executing and recording these transactions, which is inherent in the Dental School's batch computer system, results in timing errors in patient accounting data presented in financial reports. Additional delays in recording patient accounting activity result from the low priority given monthly Dental School activity by the UMC Computer Services Division. As a result of these timing errors, patient accounting financial information reported for a given accounting period is not actually attributable to that accounting period. Since only patient accounting information is processed through this system, other financial information does not necessarily encounter this same delay. (See Control Objective 4 on page 56.)

During FY 1982, the UMC Accounting Department notified the Dental School that the maintenance of an account for bad debts expense is contrary to state law (Mississippi Constitution, Article 5, 100) and that prior entries to such an account should be reversed. As of June 30, 1982, the Dental School's bad debt expense account remained open and in the accounting records. Although the June 30 balance was immaterial, the maintenance of this account is improper. (See Control Objective 4 on page 56.)

Current Dental School procedures do not effectively prevent a patient accounts representative from receiving cash, recording accounts receivable, and recording cash receipts, since patient accounts personnel may perform duties of other personnel as the need arises. This lack of effective segregation of duties may allow errors and irregularities to go undetected. (See Control Objectives 2 and 5 on pages 55 and 56.)

Deficiencies relating specifically to Dental School patient accounts receivable include the lack of credit policies, inadequate procedures for the collection of delinquent accounts receivable, the inability to determine the collectibility of outstanding accounts receivable, and the lack of assurance that all receivables are properly recorded. These deficiencies may distort the actual value of assets due to a lack of disclosure of the portion of accounts receivable which will probably be uncollectible. (Control Objective 6 on page 56.) Patient accounting policies of the intramural practice clinic are discussed on page 93.

Lack of Credit Policies. The Dental School has no established credit policies regarding a patient's eligibility for credit or maximum credit limits allowable. Any patient may receive dental treatment on a credit basis without providing any credit references or financial information. The Dental School does not verify any patient information, including name, address, and place of employment. The Dental School has no procedures which would prohibit patients with delinquent accounts from receiving additional dental care on credit. This lack of effective credit policies increases the probability that a large portion of patient accounts receivable will prove uncollectible, thus reducing the amount of clinic income received by the Dental School.

Collection of Delinquent Patient Accounts. Dental School procedures for collecting delinquent patient accounts receivable are insufficient to ensure maximum collection rates. The Dental School bills patients monthly for any fees outstanding, the only collection procedure utilized by the school. The Dental School does not utilize the Medical Center's internal collection agency or instigate any other collection efforts. If the post office returns a patient's monthly statement three times or if the patient makes no payment for approximately three months, the patient's account is coded "unc" on the computer. A "unc" code indicates that the patient's account is probably uncollectible, so the Dental School sends no more monthly statements to the patient to save mailing costs. This "unc" coding has no effect on the accounting records; these accounts remain a part of current patient accounts receivable. Also, a "unc" coding does not prohibit a patient from receiving additional dental care on credit. As of June 30, 1982, the balance of accounts coded "unc" amounted to $37,631 or 20.5 percent of total patient accounts receivable.

Determining Collectibility of Outstanding Patient Accounts Receivable. Procedures for determining and recording the collectibility of Dental School patient accounts receivable are inadequate. The lack of effective means for analyzing collectibility results in an inability to distinguish between services performed for which payment can be expected and services performed which in reality are free care. (See page 84 for a discussion of free care.) In FY 1982, the UMC Computer Services Division provided Dental School patient accounts personnel with quarterly agings of accounts receivable. These agings, prepared through the professional fee system, will be available monthly in FY 1983. The

aging printouts provide detail by patient of balances outstanding, the time period outstanding, and the date of last payment. Summary information includes total amount of patient accounts receivable and a detail of total Dental School patient accounts receivable by length of time outstanding. In FY 1982, agings merely provided memorandum information and supported no accounting or management actions. While records for patient accounts receivable reflect no indication of current or delinquent account status, according to the June 30, 1982 aging of accounts receivable, 70 percent of the Dental School's patient accounts receivable were over 180 days old. (See Exhibit 20 on page 68 for details.)

Assurance That All Receivables Are Properly Recorded. Controls to ensure that all services performed at the Dental School are properly recorded as accounts receivable are deficient. In order to record charges for treatment and related accounts receivable, patient accounts personnel must have access to the Patient Registration form which records the patient's name and account number, treatment procedures performed, and fees charged. Present practices for obtaining these forms require the patient to return the completed form to the patient accounts desk in the Dental School lobby. It is possible for patients to leave the Dental School through a door other than the one in the school lobby. No adequate and efficient controls ensure that all forms are returned to the Patient Accounts Department for processing and recording. The Dental School also does not reconcile the Patient Registration form with the student's Clinical Practice Evaluation (CPE) form to insure that all procedures are properly accounted for and all fees are assessed. The excessive and unnecessary use of the "99-Miscellaneous treatment" code distorts the number and type of procedures performed, therefore possibly distorting the amount of fees which should have been charged.

EXHIBIT 20

DENTAL SCHOOL
PATIENT ACCOUNTS RECEIVABLE AGING
AS OF JUNE 30, 1982

	Total Outstanding Accounts Receivable	Over 30 Days*	Over 60 Days	Over 90 Days	Over 120 Days	Over 150 Days	Over 180 Days
Balance Outstanding	$183,807	$6,208	$14,214	$12,995	$16,793	$5,598	$127,997
Percent of Total Accounts Receivable	100.00%	3.38%	7.73%	7.07%	9.14%	3.05%	69.64%

SOURCE: Dental School Aging of Patient Accounts Receivable Printout.

*The accounts receivable aging reports no balance outstanding less than thirty days due to the inherent one-month time lag between performance of services and processing accounts receivable entries and patient statements.

Recommendations

1. Patient accounting activity should be recorded in UMC financial records in the month in which such activity is executed.

2. The Dean or Business Administrator should approve all transactions to be recorded, and such approval should result in the recording of transactions in proper accounts.

3. Duties for handling cash and patient accounts receivable forms and for maintaining accounting records for cash and accounts receivable should be clearly defined and effectively separated.

4. The Dental School should establish written credit criteria and extend credit only to patients who meet these established criteria. Verification of a patient's name and address should be made through a comparison of a driver's license or some other form of reliable identification. No patient with a delinquent account should be allowed to receive additional care on credit until all outstanding balances are paid in full. Establishment of a separate account for delinquent accounts receivable would facilitate monitoring accounts eligible for credit.

5. The Dental School should utilize the UMC collection agency to aid in the collection of delinquent accounts. Returned statements should be reviewed to determine the accuracy of a patient's name and address. Patient accounts personnel should attempt to locate the patient and obtain a correct address. Accounts coded "unc" should be clearly identified as such in the financial records. Patients whose accounts have been coded "unc" should not receive additional dental care until all outstanding balances have been paid in full. Patients who are unable to pay all outstanding balances should be recommended for free care for future treatment. Patients should be required to reestablish credit by meeting all credit standards before receiving any further dental care on a credit basis.

6. The patient accounts supervisor should review the monthly agings of all accounts receivable to determine which accounts are current and delinquent. Delinquent accounts should be automatically transferred from the current patient accounts receivable account to an account for delinquent accounts receivable to more clearly present accounts receivable information in the financial reports. The Clinical Operations Manager should review delinquent accounts monthly to determine collectibility. Accounts outstanding over ninety days with no payment and any other accounts outstanding for long periods with poor payment history should be recorded in memoranda accounts. Patient accounts recorded in these memoranda accounts would remain a part of total accounts receivable through inclusion in the delinquent patient accounts receivable account. No patient whose account is included in this account should receive further dental care until all outstanding balances have been paid unless they are approved for free care. Patients who pay delinquent accounts should receive no additional dental care on credit until they regain credit privileges under established criteria.

7. Patient Registration forms should be prenumbered in sequential order and should be issued to specific student teams. A control log indicating issuance and return of registration forms by each team should be maintained and reviewed periodically for missing form numbers. Students should refer to an accounts receivable listing to obtain a patient's account number and credit status prior to performing any treatment. Students should administer treatment only after informing the patient of fees to be charged and payment terms. Patients ineligible for credit should be instructed to pay the cashier.

8. Clinical Practice Evaluation forms should be reconciled with Patient Registration forms to provide consistent source information for preparation of various reports. These forms should be combined and prenumbered with specific sequences assigned to each team. Patient accounts personnel should maintain a control log of sequences assigned and completed forms submitted. Students should return any void forms to patient accounts personnel. Patient accounts personnel should review the control log periodically to ensure that no forms are unaccounted for. Students should use the "99-Miscellaneous" code only to record consultations and observations performed at no charge. Students should use new added procedure codes to record follow-up visits. Built-in computer edit procedures should prohibit processing any forms including procedures coded to "other" which do not include a brief description of the actual procedures.

Lack of Proper Controls Over Cash Receipts in Dental Clinic 8 May Result in the Failure to Detect Misappropriated or Unrecorded Cash Receipts

The Dental School operates a dental clinic within the University Hospital which provides "dental care for handicapped and special patients throughout the state of Mississippi who have limited access to private dentists." Although direct payments from patients provide some of the funding for the clinic, the two major sources of clinic funds are a state supported maternal child health dental project grant and Medicaid reimbursements for qualified patients.

Internal controls over cash receipts from the maternal child health dental project grant are inadequate to ensure that all receipts are properly recorded. (See Control Objectives 2, 4, and 5 on pages 55 and 56.) Specific internal control deficiencies, which may result in the failure to deposit and properly record all monies received, include the following:

1. Failure to issue prenumbered cash receipts for all payments received from patients. Patients are given receipts for payment only upon request, and the receipts are not prenumbered. This practice results in a lack of assurance that all cash receipts are properly recorded.

2. Failure of the clinic director to maintain adequate bookkeeping records to document the clinic's activities. The present accounting records primarily are limited to Patient Registration forms which indicate previous balances, current charges, payments received, and any unpaid balances.

3. Failure to restrictively endorse all third-party checks upon receipt. Blank endorsements of checks made payable to the clinic director allow the misappropriation of clinic funds.

4. Failure to require that all checks be made payable to the Dental School. Medicaid checks are made payable to the clinic director rather than to the school. Since the clinic director also receives these checks in the mail, no controls ensure that all checks are deposited and recorded in the Dental School accounting records.

5. Failure of the clinic director to obtain receipts for cash submitted to the Dental School accountant. The clinic director has no record of cash submitted which can be reconciled independently to validated deposit slips.

6. Failure of the Dental School accountant to deposit all clinic cash receipts with the UMC bursar on a timely basis. The accountant does not deposit clinic income on a regular basis, a practice which may result in the distortion of the accounting records due to timing differences and improper cutoffs of accounting periods.

Recommendations

The recommendations listed in the patient accounting section also address the weaknesses in Dental Clinic 8.

Poor Procedures for Refunding Student Instrument Deposits and Collecting Assessments for Instrument Damages Result in a Lack of Assurance That All Assessments Are Collected and Properly Recorded

The Dental School collects a $100 refundable instrument deposit from each entering freshman as security for instruments issued to them for use during their enrollment. Both pre-clinical supply room and

central supply room personnel issue instruments to students. Each of these supply rooms maintains separate records for all instruments it issues to each student. In order to receive a full refund of the deposit, a student must return all issued instruments in satisfactory condition. The pre-clinical and central supply room personnel, assisted by the Dental School accountant, assess students for any lost or damaged instruments and record such assessments on the students' records. The students must pay the Dental School accountant for all indicated charges in order to collect their $100 refund checks. The accountant, who deposits collections for damages with the bursar, issues no cash receipts for the collection of damage assessments but does require students to sign for their refund checks. These refund checks, which the Dental School accountant requests and the UMC Accounting Department prepares, remain in the custody of the Dental School accountant until claimed by dental students who have properly completed procedures for returning instruments. All uncashed refund checks are automatically voided 90 days after the date of issuance.

The policy allowing the Dental School accountant to request checks, maintain custody of checks, assess fees, collect fees, and deposit collections results in a lack of segregation of duties. (See Control Objective 2 on page 55.)

Recommendation

1. Assessments for damaged and lost instruments should be processed through the UMC Accounting Department. The Accounting Department should prepare refund checks payable to the students for the net amount of their deposit less assessments and submit the related check register to the Dental School accountant. The accountant should then compare copies of assessments to the check register of deposit refunds processed by the UMC Accounting Department and

verify its accuracy. Upon receiving approval from the Dental School accountant, the Accounting Department should mail the refund checks directly to the students.

UMC Procedures for Accounting for Certain Grant Income for Indirect Expenses Result in an Understatement of Dental School Grant Income

Certain grants provide funds for the payment of indirect expenses incurred through grant-related activities. The UMC Accounting Department receives these funds and is responsible for their management and accounting. The Accounting Department adjusts the total income received for indirect expenses before recording "Income from Indirect Costs" for the Dental School. These adjustments include reductions for reserve for contingencies, research administration, and building and equipment use. According to Financial Accounting Standards Board Statement No. 5, Accounting for Contingencies, "an estimated loss from a loss contingency shall be accrued by a charge to income if both of the following conditions are met:

1. Information available prior to issuance of the financial statements indicates that it is probable that an asset had been impaired or a liability had been incurred at the date of the financial statements. It is implicit in this condition that it must be probable that one or more future events will occur confirming the fact of the loss.

2. The amount of loss can be reasonably estimated."

Since neither of these conditions is met concerning contingent liabilities for Dental School indirect expenses for grants, no reduction in income from indirect costs is proper. (See Control Objective 4 on page 56.)

The practice of recording income from indirect costs net of adjustments distorts total income received. The following chart shows both gross and adjusted gross income from indirect costs for FY 1982 for the Dental School and the UMC as a whole:

	Dental School		UMC	
	Amount	Percent	Amount	Percent
Gross Income From Indirect Costs	$20,242	100%	$1,263,146	100%
Less Adjustments:				
Reserve for Contingencies	4,049	20	252,629	20
Research Administration	2,366	12	147,922	12
Building and Equipment Use Allocation	2,209	11	137,835	11
	$ 8,624	43%	$ 538,386	43%
Recorded Income from Indirect Costs	$11,618	57%	$ 724,760	57%

Recommendations

1. The UMC Accounting Department should eliminate the reserve for contingencies reduction in income from indirect costs to more fairly present the financial statements. Any reserves for contingencies which do not meet the aforementioned criteria should be reclassifications of unallocated fund balance.

2. The Accounting Department and Dental School should record as income the total amount received for indirect costs. Any adjustments should be recorded separately to more clearly present total income and reductions in income.

Current UMC Accounting Procedures Distort Interest Income Earned by Dental School Investments

The UMC Comptroller's office accounts for interest income on silver savings investments by reducing service area allocable costs by the total interest earned on silver savings. This interest income is passed to the Dental School and other UMC divisions through reduced service area allocations rather than being recorded separately as interest income.

Current procedures for accounting for interest earned on silver savings distort total income and service area expenses reported in the UMC financial statements. These procedures also may result in an inequitable distribution of interest income due to differences in service

area allocation rates and proportionate shares of total cash invested by each division. (See Control Objective 4 on page 56.)

Recommendations

1. The Dental School Dean or the Business Administrator should review monthly investments and interest income to determine reasonableness of reported amounts and equity of distribution of income.

2. The UMC Comptroller's office should record earnings on silver savings as interest income rather than as an offset to an expense account to more fairly present income and expenditures in the financial statements.

UMC Accounting Procedures for Allocating Service Area Expenses Misstate Total Dental School Expenditures and Total Income for Indirect Expenses

UMC accounting procedures for allocating service area expenses are to reduce the total costs of the service areas by the interest earned on total silver savings investments, then allocate the remaining costs to the various UMC divisions. Failure to record interest earned as income and total service area costs as allocated expenses results in an understatement of both income and expenditures in the UMC financial reports. (See Control Objective 4 on page 56.)

Recommendations

The recommendations listed in the interest income section also apply to this section.

During FY 1982, the Dental School Unnecessarily Maintained Two Concession Receipts Accounts

Concession receipts collected by the UMC on behalf of the Dental School are recorded as "income from concession receipts." In FY 1982, the Dental School used two concession receipts accounts to record similar income rather than one account for all concession income. Maintenance of unnecessary and duplicate accounts may result in confusion in

recording and interpreting account information. (See Control Objective 4 on page 56.)

Recommendations

1. Only the Dean or the Business Administrator should be authorized to open accounts.

2. The Dean or the Business Administrator should request that the UMC Accounting Department close all duplicate and unused accounts.

SELECTED AREAS OF OPERATION

This section of the report addresses various areas of Dental School operations. The areas covered include the following:

1. Budgeting
2. Travel
3. Free Care
4. Intramural Private Practice Plan

Each of these areas of operation was analyzed independently. Recommendations follow each of the sections where applicable.

Budgeting

The size of the Dental School budget has increased substantially from $211,000 in FY 1974, the year the school was established, to $6,879,639 in FY 1982. The Dental School's sources of funding include state appropriations, tuition and student fees, clinic income, grants/gifts, miscellaneous income, and cash carryovers of unexpended funds from prior years. Exhibit 21 on page 78 illustrates the school's funding for the past nine fiscal years. A careful analysis of Exhibit 21 indicates that the school has received 82 percent of its total funding from the state with the remaining 18 percent received from grants and self-generated income.

The Dental School Business Administrator, in conjunction with the UMC Budget Officer, compiles the annual Dental School budget request. The Assistant Deans and department chairmen project needs and provide other budgetary input to the Business Administrator for inclusion in the budget request. The Dean and Vice Chancellor review the Dental School's

EXHIBIT 21

DENTAL SCHOOL
REVENUE SOURCES
FISCAL YEARS 1974-1982

Fiscal Year	State Appropriations	% of Total Receipts	Grants and Gifts	% of Total Receipts	Student Fees	% of Total Receipts	Clinic Income	% of Total Receipts	Other Income	% of Total Receipts	Total Receipts	Total Percent
1974	$ 211,000	100%	-	0%	-	0%	-	0%	-	0%	$ 211,000	100%
1975	500,990	98	-	0	-	0	-	0	$ 11,195	2	512,185	100
1976	1,059,656	75	$ 304,875	22	$ 35,961	3	$ 2,121	*	-	0	1,402,613	100
1977	1,923,757	83	291,369	13	82,160	4	6,756	*	-	0	2,304,042	100
1978	2,950,081	84	354,422	10	133,585	4	68,649	2	6,436	*	3,513,173	100
1979	4,182,996	84	385,330	8	253,693	5	117,154	3	8,739	*	4,947,912	100
1980	4,556,843	84	491,719	9	198,925	4	119,805	2	36,498	1	5,403,790	100
1981	5,002,105	79	748,451	12	343,224	5	148,131	3	88,508	1	6,330,419	100
1982	5,425,043	79	746,394	11	393,532	6	254,017	3	60,653	1	6,879,639	100
TOTAL	$25,812,471	82%	$3,322,560	11%	$1,441,080	4%	$716,633	2%	$212,029	1%	$31,504,773	100%

SOURCE: Dental School Budget Commission Reporting Forms.

* = Less Than 1%.

budget request which is combined with the overall Medical Center request for submission to IHL and the Budget Commission. The Budget Commission reviews the Dental School's request and recommends a funding level for the school to the Legislature. During its regular session, the Legislature considers the Dental School budget request and appropriates the general funds it deems necessary to allow the school to accomplish its mission of educating the state's dental students.

PEER detected four major weaknesses in the Dental School's budget preparation process which appear to compromise the validity and usefulness of the budget document.

1. Due to deficiencies in the school's accounting system, which are described beginning on page 55, the Business Administrator cannot effectively assess the school's financial position for budgetary purposes.

2. The Dental School has no criteria for determining when new faculty positions should be requested. The Business Administrator and one department chairman told PEER that all department chairmen "just know" when a new faculty position is needed.

3. The school does not have a formal faculty evaluation and merit review system. The assistant deans and department chairmen are responsible for recommending salary increases for faculty members and professional employees. Even though these increases must be approved by the Dean, the assistant deans and department chairmen utilize their own judgment and individual criteria in developing salary increase proposals.

4. The Dental School appears to be "double budgeting" in at least one budget category. In FY 1982, the school's commodities budget for purchasing dental supplies and other related items contained $401,881, which was allocated as follows - central supply, $200,000; pre-clinical supply, $75,000; clinical programs department, $98,560; and all teaching departments, $28,321. The central supply and pre-clinical supply budgets fund supplies normally used by all departments and maintained in inventory. Supplies routinely not maintained in inventory are purchased with funds budgeted for the individual departments or the clinical programs department, which supports the various teaching clinics. Although all supplies are

issued through central supply or pre-clinical supply, purchases of supplies used in individual teaching departments may be funded by the budget of the specific department, the Clinical Programs Department, central supply, or pre-clinical supply. As a result, one user department has access to commodities funds budgeted for any of four budget units.

PEER performed a limited analysis of the school's FY 1982 budget. The analysis reveals that the school expended approximately 95 percent of its budgeted general funds. Exhibit 22 below details the budget's activity.

EXHIBIT 22

FY 1982 DENTAL SCHOOL BUDGET ACTIVITY

	Budget Amount	Actual Amount Expended	Unexpended Balance
Salaries, Wages, and Fringe Benefits	$4,302,922	$4,224,394	$ 78,528
Travel	25,668	25,456	212
Contractual Services	1,241,904	1,175,394	66,510
Commodities	578,927	434,373	144,554
Capital Outlay/Equipment	100,000	99,770	230
TOTAL	$6,249,421	$5,959,387	$290,034

SOURCE: UMC Comptroller.

NOTE: This Exhibit details only general fund expenditures. See Exhibit 23 on page 81 for expenditures from funds provided by the budget category "Programs Sponsored By Outside Agencies."

EXHIBIT 23

DENTAL SCHOOL
INCOME FROM PROGRAMS SPONSORED BY OUTSIDE AGENCIES
FY 1982

Restricted Funds	
Current Restricted Funds	$ 80,828
Current Public Health Service Federal Funds	104,446
Current Scholarship Funds	500
Total Restricted Funds	$185,774*
Other Funds Representing Income From Outside Agencies	
Tuition Loan Fund	$ (230)
Health Profession Student Loan	19,074
Dental Auxiliary Fund	200
Exceptional Financial Needs Fund	32,295
Intramural Practice Dentistry Development Fund	13,842
Intramural Practice Overhead Fund	105,285
Intramural Practice Patient Receipts Fund	389,439
Dental Instrument Usage Fees	4,200
Total Income From Programs Sponsored by Outside Agencies	$749,879**

*Income from restricted funds is recorded at the time funds are expended. See Exhibit 19 for expenditures for each restricted fund and fund category.

**Income from programs sponsored by outside agencies per the 1984 budget request excludes the following income from restricted funds:

Scanning Electron Microscope Fund	$3,254
Dean's Unrestricted Fund	231
TOTAL	$3,485

A close examination of the budget reveals the following:

1. Forty-four (44) minor object categories of the school's budget contained $82,352 of unbudgeted expenditures.

2. The school overexpended in 20 minor object categories for a total of $127,612.

3. The school underexpended in 37 minor object categories for a total of $499,280. This appears to indicate that the school's appropriated funds were either excessive or allocated to budget areas which did not need them.

PEER also performed a limited analysis of the school's year-end general fund unexpended cash balances for FY 1979 through FY 1982. The analysis indicates that for the fiscal years examined, the school's departments in total underspent their budgets by the following amounts: FY 1979, $241,244; FY 1980, $289,980; FY 1981, $502,530; and FY 1982, $588,928. A trend of this nature seems to indicate that the Dental School is somewhat overfunded in relationship to its necessary expenditures.

Travel

It Appears That Dental School Faculty and Staff Members Comply With the Medical Center Travel Guidelines

According to UMC travel policies, Dental School faculty and staff members are permitted to travel to "professional, scientific, and educational meetings essential to the educational mission" of the institution or for "official business of the institution." The UMC Faculty/Staff Handbook contains detailed guidelines regarding reimbursement rates, the approval process for travel, transportation methods, incidental expenses, etc. Based on a review of the Dental School's FY 1981 and FY 1982 travel request and reimbursement forms, it appears that travel of school personnel was within Medical Center guidelines.

For FY 1981 and FY 1982, the Dental School Supplemented State Appropriated Travel Funds With Two Other Funds

The Dental School received travel funds primarily from three basic sources in FY 1981 and FY 1982 - state appropriations, grants, and the Dentistry Development Fund, which is funded solely by the school's intramural practice clinic. Listed below are the amounts of travel funds received from each source.

	FY 1981		FY 1982	
	Amount	Percent	Amount	Percent
Grants	$35,772	49%	$19,503	43%
State Appropriations	34,096	46	25,455	57
Dentistry Development Fund	3,311	5	11	-
TOTAL	$73,179	100%	$44,969	100%

A federal capitation grant provided a substantial portion of the $35,772 and $19,503 in grant travel funds expended during the two fiscal years.

The activity of state appropriated travel funds for the past four fiscal years is summarized below.

	Appropriated	Expended	Percent of Appropriated Funds Expended
FY 1979	$40,075	$39,511	98.6%
FY 1980	31,087	28,725	92.4
FY 1981	34,137	34,096	99.9
FY 1982	25,668	25,456	99.1

Exhibit 24 lists the FY 1981 and FY 1982 travel expenditures for the Dean, assistant deans, and department chairmen.

EXHIBIT 24

DENTAL SCHOOL
FY 1981 AND FY 1982 TRAVEL EXPENSES

Administrative	FY 1981	FY 1982
Dean	$3,802	$3,952
Asst. Dean for Educational Programs & Research	4,160	2,497
Asst. Dean for Student Programs	2,254	1,641
Asst. Dean for Clinical Programs	1,943	605
Department Chairmen		
Community and Oral Health	$1,782	$ 397
Endodontics	1,322	750
Oral Pathology/Radiology	1,391	656
Oral Maxillofacial Surgery	1,883	467
Orthodontics	839	835
Pediatric Dentistry	874	1,084
Periodontics	1,281	503
Restorative Dentistry	1,103	332

SOURCE: UMC Comptroller.

Free Care

The Dental School provides financial assistance for selected patients as a community service and to insure the availability of patients with the varied dental needs which students must treat to fulfill their academic requirements. The patient accounts subcommittee of the Patient Care Audit Review Committee, chaired by the Dental School Business Administrator, is responsible for deciding which patients will receive financial assistance. The subcommittee's reported objective is to maximize educational opportunities while minimizing free care expense. Free care expense recorded for FY 1982 totalled $2,800 or 1 percent of total services charged. The total amount of free care actually expensed in FY 1982 is not material to the Dental School's financial position as a whole. However, due to the school's poor credit and

collection procedures and its policy of granting free care retroactively, portions of its recorded clinic income and patient accounts receivable may eventually be written off to free care. Because of this a detailed analysis of the free care concept is necessary.

Present subcommittee members are the Business Administrator, one representative from the Restorative Dentistry Department, and one representative from the Community and Oral Health Department. The subcommittee's organizational structure does not provide for alternate members, any officers other than the chairman, or rotation of members. The subcommittee meets as needed rather than on a regularly scheduled basis.

The subcommittee operates informally and does not require that all members attend meetings; therefore, some cases under review for free care may be discussed and resolved by less than the full membership of the subcommittee. The subcommittee records no formal minutes of its meetings to document membership attendance or subcommittee decisions. A file of memoranda informing individual students of subcommittee action on their specific requests for patient financial assistance serves as the only documentation of subcommittee meetings, discussions, and decisions.

Dental students initiate requests for free care or financial assistance for their patients. According to guidelines established in "Protocol for Submission of Requests to the Patient Account Subcommittee for Patients Needing Financial Assistance," to initiate a request for free care the student must first follow all regular admissions procedures and complete dental records with all consultations for each patient. The student, patient, and a faculty member then discuss all acceptable integrated treatment plans which the student team has developed and agree upon a preferred treatment plan.

In reviewing requests for financial assistance, the subcommittee uses the following criteria to determine whether free care should be provided to each patient.

1. Educational needs of the student. The subcommittee considers the type of dental problem which the patient has in relation to the type of treatment which the student needs to fulfill his educational requirements.

2. Dental needs of the patient. The subcommittee reviews the patient's dental records to determine the severity of the patient's condition and considers alternative treatment plans, including the best possible dental treatment plan and the least costly acceptable treatment plan. The subcommittee considers the patient's dental needs in relation to the cost of alternative treatment plans to determine the type treatment to be provided and the portion of treatment to be provided free. The subcommittee chairman asserts that in most cases the subcommittee requires payment sufficient to meet the actual cost to the Dental School incurred in providing treatment.

3. Financial needs of the patient. The subcommittee reviews the two financial information forms of the patient, which indicate the number of dependents, amount of take-home pay, amount of recurring financial obligations, and the patient's reason for requesting financial assistance. The subcommittee also reviews the patient's account records, which reflect the patient's payment history. The subcommittee uses this financial information and payment history to determine the extent of the patient's ability to pay for needed dental care.

After reviewing the various educational, financial, and dental needs for each case, the subcommittee decides to provide partial or total free care, deny free care, provide an installment plan, or request additional information regarding certain aspects of the case. The subcommittee does not document the information reviewed and criteria used as the basis of each decision. (See Exhibit 25 on page 87 for an analysis of subcommittee decisions for FY 1979 through FY 1982.)

EXHIBIT 25

DENTAL SCHOOL
FREE CARE COMMITTEE
FINANCIAL ASSISTANCE DECISIONS

	FY 1979	FY 1980	FY 1981	FY 1982	Total	Percentage of Total Request by Category
Total Number of Requests for Financial Assistance	14	31	21	24	90	100.00%
Number of Decisions Providing Some Type of Financial Aid Without Specifying Total Amount	3	21	7	4	35	38.89
Number of Written Off Totally to Free Care with No Specified Total Amount	2	8	1	0	11	12.22
Number Written Off Partially to Free Care with No Specified Total Amount	0	1	1	0	2	2.22
Number Written Off Partially to Free Care in Conjunction with Installment Plan with No Specified Total Amount	0	8	0	1	9	10.00
Number Provided with Installment Payment Plan with No Specified Total Amount	1	4	5	3	13	14.44

SOURCE: Dental School Free Care Committee Files.

Upon reaching a decision regarding a request for financial assistance, the subcommittee notifies the student involved of the outcome of its review through a memorandum addressed to that student. The subcommittee retains one copy of each memorandum to document its decisions and sends one copy to the Patient Accounts Department to support appropriate accounting entries.

Weaknesses in control over the administration and documentation of financial assistance may result in errors, irregularities, and inconsistencies in the system.

Inadequate Procedures for Evaluating Patients' Needs for Financial Assistance May Prevent Certain Patients From Receiving Needed Aid

According to the subcommittee's guidelines, students must determine whether patients need financial assistance. Students have no detailed guidelines to follow in determining the status of the patient's ability to pay for treatment. Since patients do not routinely provide any credit or financial information during regular admissions procedures, students have no objective criteria by which to judge the patient's ability or inability to pay for treatment.

The Policy of Granting Financial Assistance Retroactively Rather Than for Proposed Treatment Results in the Distortion of Reported Services and Accounts Receivable

The subcommittee's guidelines indicate that students should request financial assistance for patients who cannot afford proposed treatment plans. In practice, financial assistance requests and decisions generally address account balances for treatment which the patient has already received, rather than fees to be charged for proposed treatment. This practice requires the write-off to free care expense of amounts recorded as income and accounts receivable in prior accounting periods.

The Lack of Adherence to the Policy Requiring That Students Initiate Requests for Financial Assistance Allows Subcommittee Members to Both Initiate and Resolve Requests for Financial Aid

The subcommittee's guidelines state that students must initiate requests for financial assistance. However, in at least one case the subcommittee chairman, who is the Dental School Business Administrator, initiated the request for financial assistance and signed the memorandum documenting the decision of the subcommittee. Although neither the patient nor the student had yet submitted any financial information forms, the subcommittee decided on May 5, 1982, to expense as free care the $100 balance in this patient's account and to refund $50 which the patient previously had paid. While the actual payment of $50, received eight months prior to the subcommittee's action, indicates that the patient was indeed able to pay that portion of his fee, the subcommittee still chose to authorize a refund of this payment. During the course of approving the request for the refund check, the Assistant Vice Chancellor for Business Affairs refused to approve the refund; therefore, no check was issued. No written or clearly estabished policy indicates that review by the Assistant Vice Chancellor for Business Affairs is normally required on $50 check requests. The $50 denied refund which was previously charged to free care expense was scheduled to be reversed in September, 1982, although the $50 unpaid balance was still to be treated as free care.

The Lack of Use of Objective Criteria as the Basis for Subcommittee Decisions on Requests for Financial Assistance Results in Inequitable Decisions for Similar Cases

The subcommittee uses no objective criteria in reviewing requests for financial assistance. The subcommittee reviews subjective data, as detailed on page 86, to analyze various needs in each case but does not

quantify such data. This policy may contribute to inequities and inconsistencies among decisions to grant or deny financial aid.

The Lack of Documentation of Subjective Data Supporting Subcommittee Decisions Prohibits Comparison of Decisions Regarding Similar Requests for Financial Aid

While the subcommittee maintains files of its decisions regarding requests for free care, it does not document its discussions concerning various needs associated with each case or information reviewed and considered in reaching each decision. Files contain excerpts from patient account records or dental records only in isolated instances. Files contain no documentation of acceptable alternative treatment plans and their relative costs to the Dental School, benefits to the patient, and charges to the patient.

The Lack of Documentation of Patient Financial Information Results in the Inability to Ascertain That the Review of Properly Completed Financial Information Forms Precedes All Subcommittee Decisions

According to discussions with the subcommittee chairman, the submission of financial information forms is a prerequisite to subcommittee review for financial assistance eligibility. Review of subcommittee files for FY 1979 through FY 1982 revealed that filed information for 19 of the 90 cases which the subcommittee considered, or 21 percent of all cases considered, did not include financial information forms. The subcommittee decided to provide partial or total free care in 7 of the cases which had no filed financial information forms, or 7.78 percent of all cases reviewed. The subcommittee established installment plans for an additional 5 cases, or 5.56 percent of all cases reviewed. Subcommittee reviews of cases with no financial forms on file resulted in requests for additional information in only 6 of 19 or 31.58 percent of

those cases. According to discussions with the subcommittee chairman, the subcommittee returns information forms to all patients for whom additional information is requested. The subcommittee does not retain copies of this returned information. (Exhibit 26 on page 92 presents the disposition of these cases by fiscal year.)

The Lack of Complete Documentation of Financial Assistance Provided Prevents Reconciliation of Accounting Records to Subcommittee Decisions and Records

The subcommittee issues memoranda of its decisions regarding financial assistance requests to the students who initiate the requests. These memoranda do not state what dental procedures are included in financial assistance and frequently omit the total amount of charges which will be covered by financial assistance. Due to the lack of disclosure of quantified limits on financial assistance, the Patient Accounts Department may record some patient charges as free care expense contrary to the intentions of the subcommittee.

Recommendations

1. Only students should initiate requests for financial assistance for their patients.
2. Students should use an objective matrix to analyze the patient's financial information to determine whether the patients are eligible for financial assistance.
3. For each patient considered eligible for free care, students should verify patient name, address, and place of employment, if any.
4. The subcommittee should file patient account information forms, financial information forms, dental records, and documentation of any educational need in treating the patient before taking any action regarding each request for financial assistance. The files should also include the costs, fees, and other relevant data for all alternative treatment plans under consideration.
5. The subcommittee should elect a secretary who records minutes detailing members present, discussions, and decisions regarding requests for financial information.

EXHIBIT 26

DENTAL SCHOOL
FREE CARE COMMITTEE
FINANCIAL ASSISTANCE FOR PATIENTS WHO DID NOT SUBMIT FINANCIAL INFORMATION FORMS

Fiscal Year	Total	Written Off	Partially Written Off	Partially Written Off In Conjunction With A Payment Plan	Installment Payment Plan Provided	Free Care Denied	Additional Information Requested
1979:							
Number without Financial Information	2	1	0	0	0	0	1
Total Number of Requests	14	14	14	14	14	14	14
Percent without Financial Information	14.29%	7.14%	0.00%	0.00%	0.00%	0.00%	7.14%
1980:							
Number without Financial Information	9	1	1	2	3	1	1
Total Number of Requests	31	31	31	31	31	31	31
Percent without Financial Information	29.03%	3.23%	3.23%	6.45%	9.68%	3.23%	3.23%
1981:							
Number without Financial Information	4	1	1	0	1	0	1
Total Number of Requests	21	21	21	21	21	21	21
Percent without Financial Information	19.05%	4.76%	4.76%	0.00%	4.76%	0.00%	4.76%
1982:							
Number without Financial Information	4	0	0	0	1	0	3
Total Number of Requests	24	24	24	24	24	24	24
Percent without Financial Information	16.67%	0.00%	0.00%	0.00%	4.17%	0.00%	12.50%

SOURCE: Dental School Free Care Committee Files.

6. The subcommittee should quantify and document the various needs related to each case under consideration. These quantified needs should support the subcommittee's decisions.

7. The subcommittee should clearly document each decision, including total amount included, all treatment included, estimated time frame for completion of treatment, all terms of installment payment plans, and reasons supporting the decision.

8. The subcommittee should make decisions regarding financial assistance requests only if all three members or designated alternate members of the subcommittee attend the meeting.

9. The subcommittee chairman should review monthly entries to free care expense and compare the entries to subcommittee decisions to determine propriety of accounting for free care.

10. Patient Accounts Department personnel should segregate and monitor accounts for patients receiving financial assistance to ensure that treatment is accounted for in accordance with subcommittee decisions.

Intramural Private Practice Plan

The Dental School maintains an intramural practice program which enables full-time members of the school's clinical faculty to treat private patients and earn income in addition to their Dental School salary. Participation in the program is optional and requires no formal contractual agreement between the school and the faculty members. The intramural practice program serves as an incentive to attract and retain quality faculty members.

The "Private Practice Plan" contains the established rules for the operation and administration of the program. (See Appendix D on page 125.) Under these rules, the Plan Administrator, the Dean, and the Intramural Practice Advisory Committee oversee and govern the program. The Business Administrator serves as the Plan Administrator and the Advisory Committee consists of one representative from each of the school's clinical departments. While the Dean, who is also a partici-

pant in the program, has ultimate responsibility and authority for the program, there are no established rules which define the specific authority and duties of the Plan Administrator, Dean, and Advisory Committee.

The intramural practice clinic, located on the first floor of the Dental School, serves as the primary treatment site for private patients. Participants may treat private patients in a teaching clinic if the procedure is of an emergency nature and there is no room in the intramural clinic. The intramural clinic is staffed by two full-time patient accounts representatives, one full-time patient accounts supervisor, and several part-time dental assistants. The patient accounts personnel maintain appointment books and patient records for some dentists, receive payments from patients, and prepare daily accounting and summary information for services performed in the clinic. The patient accounts personnel use the professional fee system of the Dental School to process all daily patient account activity and cash receipts. The dental assistants aid dentists during patient treatment and occasionally assist in scheduling appointments. The chief dental assistant, who works for the Dental School 70 percent of her time and for the intramural clinic 30 percent of her time, maintains clinical supplies. She obtains necessary supplies through the central supply room following the Dental School's standard purchase and requisition procedures.

Participants in the intramural practice program set their own fees and establish their own discount policies with no limitations. However, any participant whose annual collected net income (net of laboratory expenses) exceeds his UMC base salary must divide this excess in earnings evenly with the Dental School. Exhibit 27 on page 95 presents

EXHIBIT 27

DENTAL SCHOOL
FY 1982 HIGH, LOW, AND AVERAGE INCOME
INTRAMURAL PRACTICE CLINIC

	High	Low	Average	Number of Participants Above Average	Number of Participants Below Average
Collected Gross Income (Total Cash Collections)	$ 80,000.76	$39.40	$11,186.13	17	30
Adjusted Gross Income (Collected Gross Income Less Outside Lab Expenses)	80,000.76	39.40	10,080.78	16	31
Collected Net Income (Collected Gross Income Less Deductions for the Overhead and Development Funds)	56,000.52	27.57	8,152.93	16	31
Services Performed (Total Services Charged)	145,470.50	0.00	14,238.69	13	35

SOURCE: Dental School "Monthly Statement of Practice" Printout.

NOTE: These calculations include amounts for all forty-seven participants who collected cash during FY 1982.

annual average collected income and high and low collected income from the program as reported in the monthly reports of participants' income from July 1, 1981, through June 30, 1982. (Laboratory expenses are not deducted from these amounts.)

Participants in the intramural program finance the operation of the clinic through a monthly withholding from their collections based on a standard overhead rate. Expenses paid from this withholding include salaries for two patient account representatives, 30 percent of the salary for the chief dental assistant, 50 percent of the salary for one dental assistant, dental supplies, telephone, mail charges, office expenses, computer time, maintenance, and other related expenses. The Dental School Business Office and the UMC Accounting Department are responsible for accounting for monthly withholdings and expenditures for the operation.

The overhead rate equals 27½ percent of each participant's monthly net cash collections from patients. Participants in the program also support the Dentistry Development Fund through a mandatory withholding of 2½ percent from the monthly net cash collections. The Dean has full control over the Development Fund. Expenditures from this fund generally include payments for Dental School entertainment, the school's coffee service, and other miscellaneous expenses. The UMC Accounting Department and Dental School Business Office maintain all records for the Development Fund.

During FY 1982, 46 dentists performed services and/or collected fees under the intramural practice program. PEER submitted a confidential questionnaire to the participants. At the time the questionnaire was submitted, 2 participants were on leave of absence, 1 was on

annual leave, 1 no longer participated in the program, and 5 were no longer faculty members. Therefore, PEER had an 80 percent response rate to the questionnaire.

A review of the questionnaire responses indicated the following:

1. The average number of hours spent in the intramural clinic per week is 6.

2. The average number of patients treated by one participant per week is 6.

3. The responsibility for scheduling appointments and maintaining patient records is held by:

   a. Intramural clinic personnel for 8 participants
   b. The participant in 5 cases
   c. Departmental secretaries for 7 participants
   d. Various combinations of personnel including intramural personnel, the participant, departmental secretaries, and dental assistants in 17 cases

4. Patient Registration forms indicating the patient's name, treatment performed, date, fee, and dentist are generally submitted immediately after each patient's visit.

5. Most participants consider time limitations reasonable and in no need of revision.

6. Most participants consider income limitations reasonable and in no need of revision. However, 6 respondents indicated no knowledge of income limitations and 3 respondents felt income limitations should not depend on base salaries.

7. Major problems encountered in administration or operation of the program include:

   a. Inadequate accounting system; specifically a lack of timeliness, accuracy, and completeness in patient account records, computer reports, and cash receipts and disbursements
   b. Lack of trained support personnel
   c. Inefficient processes for patient flow resulting from poor scheduling and recall procedures
   d. Inequitable method of computing the overhead under which the use of supplies, support personnel, and clinic space does not affect overhead charges
   e. Lack of adequate space and equipment

8. Major weaknesses (according to the respondents) in the program include:

   a. Easy abuse of the program in the areas of time limitations, income limitations, and the use of Dental School facilities
   b. Vague organization and poor administration
   c. Inability of participants to control the operation and expense of the clinic

9. Additional comments include statements that some participants apparently exceed the time limitations without being penalized; that some participants treat the special problems of their students' patients as private practice rather than as an instructional exercise; and that some attempts by participants to have these problems addressed by the Dental School administration have been unsuccessful.

PEER's review of memoranda relative to the intramural private practice program indicated that several problems with the structure, operation, and administration of the program have been brought to the attention of the Dean and/or the Intramural Advisory Committee. Despite this, many of the program's problems had not been resolved as of June 30, 1982.

A memorandum dated April 22, 1980, addressed to the Dean from the Assistant Dean for Clinical Programs, referred to the results of an examination of the intramural practice professional fee system performed by the Family Medicine Department systems analyst who is a Certified Public Accountant with work experience in the UMC Internal Audit Department. The Intramural Advisory Committee received this memo on May 9, 1980, and responded with recommendations to the Dean. The following excerpts from the April 22, 1980 memorandum and from the minutes of the Advisory Committee meeting held on May 9, 1980, present the results of the examination of the system and the related responses of the Advisory Committee.

"Recommendation 1

Receipts for fee payments should be completed by Patient Accounts Representatives in the Intramural Practice Clinic only.

Present System. Individual Intramural Practice Program participants are allowed to have receipt books and to issue receipts for payments made to the doctor.

Problems Created:

a. Numerical receipt sequence cannot be maintained and controlled by the Patient Accounts Supervisor responsible for maintaining all accounts.

b. Receipts cannot be controlled to avoid errors and monitor fraudulent receipts.

c. Error corrections are very time consuming and difficult.

d. Posting of incorrect figures to manual control sheet and computer entry forms is likely to occur."

Advisory Committee Response:

"The Advisory Committee recommends that the present system with a receipt book in each clinic where patients are seen is workable if the receipt book and the PFS forms have a system of monitoring."

"Recommendation 2

All statements should be mailed to patients by Intramural Practice Patient Accounts personnel.

Present System. Statements are mailed by each practitioner.

Problems Created:

a. Control of information sent out on statements is lost.

b. Errors on statements corrected by practitioners are not also corrected on manual control and computer entry forms, resulting in errors being carried forward to subsequent billing cycles.

c. Fraudulent charges and payments cannot be monitored.

d. Fictitious patient accounts are not highlighted by returned statements."

Advisory Committee Response:

"It is recommended that the system we use right now be utilized where the statements are checked by the participant and sent to the patients."

"Recommendation 3

Centralized appointment control for all Intramural Practice Program participants should be mandatory.

Present System: Individual program participants maintain their own appointment books.

Problems Created:

a. Schedule conflicts cannot be avoided.

b. Schedule violations cannot be monitored to prevent abuses of the system.

c. Control of information given to patients concerning appointments and patient accounts is impossible."

Advisory Committee Response:

"It is recommended that the system we are utilizing now be continued with improved communication between the participants, secretaries, and the patient representatives at Intramural Practice."

"Recommendation 4

All program participants should use the Problem Oriented Dental Record in accordance with the guidelines published in "The User's Guide," and centralized record storage and administration should be implemented.

Present System: Individual discretion in recordkeeping is allowed and patient records are stored in any desired location.

Problems Created:

a. Unnecessary time is lost while waiting for patient records to be brought to the Intramural Clinic so that processing procedures can be started.

b. Departmental secretaries or program participants are required to complete PFS-13 forms, resulting in unnecessary errors.

c. Intramural Practice Patient Accounts personnel lose control over charge form completion.

d. A patient can be treated, charges made, and payment received without knowledge of Intramural Practice personnel.

e. Patient records are not available to Patient Accounts personnel to verify and reconcile information entered in the Professional Fee System."

Advisory Committee Response:

"It is recommended that we keep the system that we have. The problem oriented dental record is recommended but not mandatory."

"Recommendation 5

The account number assigned to a patient should be a guarantor account code with dependent codes assigned to all persons for whose accounts the guarantor is responsible.

Present System: Dependent codes are not being used. Each patient is assigned a guarantor code.

Problems Created:

a. It is difficult, if not impossible, to hold minors responsible for payment of accounts.

b. Pursuing bad debts is complicated.

c. Unnecessary paper work is required, operation costs are increased, and personnel time is used ineffectively.

d. Each individual patient must be mailed a separate statement."

Advisory Committee Response:

"It was recommended that going to a guarantor account system causes more problems than it solves."

"Recommendation 6

Form PFS-13 should be initiated by Intramural Practice Patient Accounts personnel only and the Intramural Practice Program participant should complete the form in the clinic.

Present System: Forms PFS-13 are initiated by departmental secretaries or persons other than Intramural Practice Patient Accounts personnel. [Forms PFS-13 are patient registration forms containing patient identification information, details of services performed, fees charged, date, and practicing physician. These forms are used as the source of accounting entries for private practice clinic operations.]

Problems Created:

a. Incorrect information can be posted causing unnecessary delay in processing daily batches.

b. Information recorded on the PFS-13 does not reflect records in the Intramural Practice Patient Accounts office.

c. Unapplied entries can be made because Patient Account codes are omitted or recorded incorrectly.

d. Control of information entered on form PFS-13 is impossible when the forms are completed by persons other than Intramural Practice Patient Accounts personnel."

Advisory Committee Response:

"It is recommended that this be implemented completely and that each patient encounter must be accounted for with a PFS-13 form whether it is a no-charge or not. The mechanism for control must remain in the hands of the patient representatives of the Intramural Practice Professional Fee System."

Of the aforementioned system weaknesses, the following had not been effectively addressed as of June 30, 1982.

1. "Statements are mailed by each practitioner."

2. "Individual program participants maintain their own appointment books."

3. "Individual discretion in recordkeeping is allowed and patient records are stored in any desired location."

4. "Forms PFS-13 are initiated by departmental secretaries or persons other than Intramural Practice Patient Accounts personnel."

Another question remaining unresolved as of June 30, 1982, concerns the legal structure of the intramural practice program, particularly the legal authority to collect delinquent accounts. Although PEER was informed by the Clinical Operations Manager, who is responsible for the accounting function of the intramural clinic, that each participant is responsible for collecting his own delinquent accounts, UMC legal counsel has indicated that participants have no legal authority to pursue

such collections on their own behalf. In a letter dated January 27, 1982, to the Assistant Vice Chancellor for Business Affairs, UMC legal counsel expressed the opinion that the Dental School could not assign delinquent private patient accounts to an individual participant for collection, but that collection of all accounts must "be done centrally by an individual appointed by the Dean," as provided by the private practice plan. These contradictions result in confusion regarding authority to collect accounts receivable.

During examination of the intramural practice program as operated during FY 1982, PEER noted non-compliance with the following provisions of the IHL approved practice plan. The sentences in quotation marks are taken verbatim from the written practice plan.

1. "Centralized appointments will be made and coordinated by the patient accounts representative assigned to the Intramural Practice Clinic." Less than 22 percent of the participants actually schedule all of their appointments through the intramural clinic personnel. The remaining participants schedule all of their appointments themselves, request their clinical department secretaries to schedule these appointments, or utilize various combinations of secretaries, intramural clinic personnel, and dental assistants to schedule their appointments.

2. "All financial records will be audited by the Dean or his representative at the end of each fiscal year." Other than the review described on page 130, PEER could not locate any documentation to prove that this requirement had ever been complied with. The UMC Internal Auditor had performed one limited review of the professional fee system used to process intramural clinic transactions. Since the Internal Auditor's review was limited to a transaction processing review, only minor bookkeeping adjustments resulted from the review. (See Appendix E on page 130.)

3. "The duties of the Plan Administrator will be established by the Advisory Committee with the advice and consent of the Dean." According to the Plan Administrator, the committee has not established any specific duties for him.

4. "All geographic full-time faculty members licensed to practice will be permitted to practice an average of eight hours per week. This represents a yearly total of 416 hours." Because most participants do not utilize intramural personnel for scheduling appointments, it is impossible for the Dean, the Plan Administrator, or anyone else to monitor the time spent by the participants in the intramural clinic. Records reviewed by PEER and questionnaire responses received indicate that some participants spend an excessive amount of time in the intramural clinic.

5. "Any collected net income in excess of the participant's base salary will be distributed" evenly between the participant and the Dental School. According to the practice plan, the term base salary is defined as the participant's UMC annual contract salary (fiscal year salary). The Plan Administrator utilizes each participant's calendar year salary when comparing the net collected income to determine if a participant has exceeded the salary limitation.

In addition to the direct violations, PEER detected other weaknesses or control deficiencies in the plan.

1. Participants are not required to enter into a formal contractual agreement with the Dental School.

2. Because the practice plan is vague in some areas, confusion has developed regarding the responsibility for maintaining records and monitoring adherence to rules and the authority to enforce policies and implement changes.

3. Some of the intramural clinic reports generated by the professional fee system contain identical terms which represent different computations.

4. There is evidence that some participants utilize the Dental School's teaching clinics for the treatment of their private patients.

5. The overhead withholding bears no direct relation to the amount of supplies each participant uses, the amount of time each participant spends in the intramural clinic, or the number of patients each participant treats. Instead, overhead withholdings vary directly with the amount of fees which the participant actually collects. This policy requires no overhead charges against fees charged for which no payment is received and may result in an inequitable distribution among the participants of the cost of operating the intramural clinic.

6. Inadequate control over patient registration forms results in a lack of control over the accounting for services performed and fees received by intramural practice participants.

Recommendations

1. The Dean should carefully review and implement all recommendations set forth in the April 22, 1980 memorandum.

2. The Dean, in conjunction with the UMC attorney, should clarify the legal structure and authorities of the intramural practice plan.

3. Intramural clinic personnel should schedule all appointments for all participants and maintain detailed appointment books.

4. Overhead funds withheld from participant's monthly collections should finance all operations of the intramural practice program including salaries of all personnel who perform any work for the intramural operations.

5. Participants should not be allowed to treat private patients in Dental School teaching clinics without the express consent of the Dean or the Plan Administrator whoever has authority to record and monitor the use of the intramural clinic.

6. Participants should only use supplies from the intramural clinic supply room for treating private patients. The dental assistant responsible for maintaining supplies should record all receipts and disbursements of supplies in detailed inventory records.

7. Personnel employed by the intramural practice program should be paid through the overhead fund and be responsible for all operations and accounting for intramural practice. No Dental School employees should participate in recording and maintaining accounting records or other operations of the clinic.

8. The Dean and Plan Administrator should be responsible for enforcing the provision for a detailed annual audit of the intramural operations. The auditors should prepare a detailed report of their findings for distribution to the Dean, the Plan Administrator, the Advisory Committee, and the Business Administrator.

9. The Dental School Business Administrator should not serve as the Plan Administrator. The Business Administrator should be responsible for reviewing the reports of participant's income to ensure that the Dental School receives its share of any earnings in excess of the participant's base salary.

10. Prenumbered patient registration forms should be issued to each participant. The issuance of blank forms and receipt of completed forms should be recorded in a log which is reviewed periodically for missing forms.

APPENDIX A

The following schedules present the detail of estimated expenditure reductions and revenue increases which may be achieved through implementing selected PEER recommendations. These estimates reflect only a portion of total savings which would result from these suggested changes and do not include effects of other recommendations. Sources of information used for the calculations and estimates include:

1. Comparative data provided by the AADS regarding enrollment, revenue, and expenditures for all dental schools as of 1981;

2. Dental School and UMC financial records for FY 1981 and FY 1982. (Averages were calculated using these two fiscal years unless otherwise indicated.);

3. FY 1984 budget request for the Dental School.

Specific assumptions and comments regarding calculated estimates are stated separately following each schedule.

Continuous Cost Reduction Measures

A. Consider Changing to a Traditional Departmental Mode of Clinical Instruction With Blocked Clinic Periods, Thus Reducing Clinical Salaries

Estimated Reduction in Salaries for Clinical Instruction

Curriculum Hours Available - National Mean			1,971
Number of Students at Maximum Enrollment (50 Juniors, 50 Seniors)			100
Number of Hours Needed (Over Junior and Senior Years)			197,100
Number of Years Available			2
Number of Available Hours Needed Per Year			98,550
Number of Chairs (100 students/7 clinics = 15 chairs per clinic) (See page 32)			105
Number of Available Hours Per Chair Per Year			938.57
Number of Days Per Year Clinics are Open (5 days X 45 weeks)			225
Number of Hours Per Day Each Chair Must be Available			4.17
Number of Hours Per Day Clinic Presently Open			4.6
Number of Hours Per Day Each Clinic Needs to be Open Under Traditional System (see above)			4.2
Estimated Reduction in Needed Available Hours Resulting from Change to Traditional Educational System			.4
Percent Reduction (.4/4.6)			8.7%
Total Instructional Salaries		$3,921,154	
Educational Programs Department Salaries		(274,326)	
Net Instructional Salaries		$3,646,828	
Percent of Time Attributed to Dental School Responsibilities*		80%	
Salaries Attributed to Dental School Responsibilities		$2,917,462	
Estimated Percent of Time Attributed to Clinical Instruction			
Portion of Year Clinics Are Open (10 months/12 months)	83.3%		
Estimated Portion of Faculty Time Attributed to Clinical Instruction Each Week (½ day per week)	10.0%		
Percent of Total Time Attributed to Clinical Instruction		8.3%	

Salaries Attributed to Clinic Instruction	$242,149
Estimated Reduction in Clinical Salaries Resulting From Change to Traditional Educational System	$ 21,067

*Clinical faculty members may spend up to 20 percent of their time participating in Intramural Practice. See page 93 for further discussion of the Intramural Private Practice Program.

This estimate excludes any cost savings related to reductions in support activities or support personnel which may be achieved by changing to a traditional block curriculum.

B. Transfer the Equipment and Operational Responsibility for the School's Photography Laboratory and Television Production Studio to the UMC Learning Resources Division

Actual Photography Laboratory Expenditures			
FY 1981		$ 50,185	
FY 1982		39,583	
Total for FY 1981 and FY 1982		$ 89,768	
Average Expenditures for FY 1981 and FY 1982			$44,884
Learning Resource Center Allocation Rates			
FY 1981 (165/1,548)	10.66%		
FY 1982 (162/1,552)	10.44%		
Total for FY 1981 and FY 1982	21.10%		
Average Allocation Rate for FY 1981 and FY 1982		10.55%	
Average Expenditures for FY 1981 and FY 1982		$ 44,884	
Cost to Dental School Had Such Expenditures Been Made Through Learning Resource Center (10.55% X $44,884)			(4,735)
Estimated Cost Savings			$40,149

Since the Dental School could provide no reliable cost data for the television production studio, the above computation excludes additional cost savings which would be achieved through transferring related equipment and responsibilities to the UMC Learning Resources Center.

C. Eliminate the General Fund Subsidy to the Intramural Private Practice Program

Personnel Employed in Intramural Clinic and Paid by the Dental School

Position	Number of Employees	Average Position Salary	Percent of Time Employed in Intramural Practice	Amount of Salaries Attributed to Intramural Practice
Patient Accounts Supervisor	1	$12,896	100%	$12,896
Dental Hygienists	4	15,174	30	18,209
				$31,105

Although dental assistants and administrative personnel, including the Business Administrator and the Clinical Operations Manager, have responsibilities related to the operation of the Intramural Private Practice Program, 100 percent of their salaries are paid by the Dental School. In the above estimate of cost reductions associated with restructuring the Intramural Program, no allowance for portions of these salaries was included. A self-sufficient Intramural Program would pay salaries or proportionate shares of salaries, of all clinical and administrative personnel employed full-time or part-time in the program, thus providing further cost reductions.

Continuous Revenue Increases

A. Increase enrollment by 10 in-state students and 20 out-of-state students to the maximum capacity of 200 students (using the tuition rate in effect for the 1982-83 academic year)

Maximum Capacity Enrollment	200
Current Enrollment (1982-83 Academic Year)	170*
Available Spaces - Academic Year 1982-83	30

Tuition-Academic Year 1982-83

Residents	$3,038
Non-Residents	$9,038

Increase in Tuition From Filling Available Spaces

Status of Student	Number of Students	Tuition
Mississippi Resident	10	$ 30,380
Out-of-State Resident	20	180,760
	30	$211,140

*All students currently enrolled are residents of Mississippi.

Comments:

(1) Since the Dental School has had an average of 203 out-of-state applicants per year and has never reached capacity enrollment, PEER believes admission of 10 percent out-of-state students is reasonable.

(2) The maximum capacity enrollment used in the above computation is the number of students the Dental School can educate properly with no increase in faculty or facilities.

B. Increase Fees Charged to Patients for Dental Services by 5 Percent

Fees Charged - FY 1981	$194,044
Fees Charged - FY 1982	258,625
Total Fees Charged - FY 1981 and FY 1982	$452,669
Average Fees Charged - FY 1981 and FY 1982	$226,334
5 Percent Increase	1.05
Average Fees at 5 Percent Higher Rates	$237,651
Average Collection Rate - FY 1981 and FY 1982	73.69%
Estimated Collections on Increased Charges at Current Average Collection Rate	$175,125
Average Collections - FY 1981 and FY 1982	(165,921)
Estimated Increase in Collections	$ 9,204

NOTE: This increase in revenues assumes no increase in average rate of collection and assumes no collection of fees for services performed in prior fiscal years.

C. Aggressively Collect Patient Accounts With a Minimum Collection Rate of 85 Percent

Actual Fees Charged - FY 1981		$194,044
Actual Fees Charged - FY 1982 (33% Increase Over 1981)		258,625
Total Fees Charged - FY 1981 and FY 1982		$452,669
Average Fees Charged - FY 1981 and FY 1982		$226,334
Proposed Increased Collection Rate		.85
Estimated Collections at Increased Rate		$192,384
Average Collections - FY 1981 and 1982		
FY 1981	$148,167	
FY 1982	183,676	
Total	$331,843	
Average		(165,921)
Estimated Increase in Collections		$ 26,463

NOTE: This estimate assumes that no account receivable outstanding and delinquent as of June 30, 1982, will be collected in future fiscal years.

Total General Fund Savings From Disposal of Excess Supplies and Equipment

A. One-Time Revenue Increase From Sale of Surplus Chairs (May Take Period of Over One Year to Achieve)

Total Number of Dental Chairs at UMC (per UMC computer listing)		$ 221
Less: Chairs not Purchased with Dental School Funds -		
School of Health Related Professions	10	
Unlocated	2	
Total.		12
Total Number of Chairs Purchased by Dental School		209
Less: Chairs Purchased by Dental School but Assigned Elsewhere-		
Piney Woods		2
Total Number of Chairs Located at Dental School		207
Less: Chairs not Presently Available to Teaching Clinics-		
TV Studio	1	
OP/OR Clinic	8	
Dental Clinic 8	7	
Intramural Practice Clinic	18	
Total		34
Total Number of Chairs Available to Teaching Clinic		173
Number of Chairs Needed Under Traditional Curriculum (15 chairs X 7 clinics) (see page 32)		105
Number of Excess Chairs Presently Available		68
Average Original Cost of Chairs ($987,557/221)		4,469
Original Cost of Surplus Chairs		$303,892
Percent of Original Value Remaining (Estimated)		30%
Estimated Income from Sale of Surplus Chairs		$ 91,168

This sale of 68 surplus dental chairs may be achieved using the current problem-oriented approach to dental education and current enrollment. (See page 35). With maximum enrollment, greater clinic utilization must be achieved in order to sell this number of chairs. This greater utilization may be achieved through increasing the amount of available clinic time or by changing to a traditional departmental mode of clinical instruction using blocked clinic periods.

B. One-Time Cost Savings From Utilization of Dental Supplies Currently on Hand in Auxiliary Clinical Supply Rooms (May Take Period of Over One Year to Achieve)

Value of Supplies on Hand in Endodontics Clinic Auxiliary Supply Room Test-Counted by PEER	$ 23,723
Number of Auxiliary Supply Rooms	14
	$332,122
Factor to Account for Variances in Size of Supply Rooms and Quantity of Goods on Hand	75%
Estimated Value of Supplies on Hand at 6-30-82 in Auxiliary Clinical Supply Rooms Which is Excluded From the Recorded Balance of Supplies Inventory	$249,092

Prior to 6-30-82, the Dental School did not record the value of supplies inventory maintained by the Pre-Clinical Laboratories Department. The adjustment to correct prior years' commodities expenditures and initially record pre-clinical inventory on hand resulted in the reduction of current year gross expenditures by the value of ending inventory on hand. Based on our estimate of the value of inventory on hand in auxiliary supply rooms at 6-30-82, adjustments to correct prior years' expenditures and properly record this inventory would result in reduced expenditures for commodities for the year in which the inventory is initially recorded.

THE UNIVERSITY OF MISSISSIPPI MEDICAL CENTER
2500 North State Street
JACKSON, MISSISSIPPI 39216

School of Dentistry
Office of the Dean

Area Code 601
987-4859

June 22, 1982

TO: Mr. James A. Barber

FROM: Dr. Wallace V. Mann, Jr. W.V.M. Jr.

SUBJECT: Implementation of American Dental Association 1979 Site Visit Report Recommendations

Following are steps which have been taken to implement the recommendations included in the 1979 Site Visit Report:

Recommendation 1

> It is strongly recommended that the two administrative positions of Vice Chancellor for Health Affairs and Dean of the School of Medicine be occupied by two different individuals in order to safeguard against conflict of interest relative to administrative or fiscal matters since it has the potential for impacting adversely upon the School of Dentistry in its future growth and development.

Neither Chancellor Fortune nor Vice Chancellor Nelson agree with this recommendation. They believe it is the prerogative of the University to establish the most appropriate table of organization for the Medical Center. There was agreement by the accreditation site visitors that the present arrangement is working well because of the individuals appointed. However, they were concerned that a similar arrangement might not work with different administrators. This recommendation was thoroughly reviewed by the Dean of the School of Dentistry and the Vice Chancellor of the Medical Center and their advice to the Chancellor was that no action be taken.

Recommendation 2

> It is recommended that a faculty governance document be developed and distributed to all faculty members which clearly defines the mechanisms by which standing committee appointments are made in order to avoid conflicts of interest as the present method whereby the Committee on Faculty Appointments, Promotions and Tenure is appointed by the Dean who also approves or rejects recommendations of the Committee. It is also recommended that a faculty handbook be prepared and distributed to detail the procedures for promotion and tenure, as well as other faculty regulations. It is further recommended that consideration be given to providing faculty with input into the selection or election of membership to dental school

standing committees or, as an alternative, to provide recommendations to the Dean relative to whom the faculty believe should serve on the committee.

The position of the Dean in the matter of faculty governance is that there is no need for a separate governance document for the School of Dentistry. There is a Faculty Senate at the Medical Center, and it is the opinion of the administration that this organization is the representative faculty group. Both the Dean and the Vice Chancellor believe that it is the responsibility of the Dean to appoint the members of standing committees.

Consideration has been given to the method of appointment of committee members to provide broader input into the decision making process. At faculty meetings the Dean asks for expressions of interest to serve and a memorandum is sent out each year, usually in July, to solicit names of volunteers. This notice is sent to all assistant deans and departmental chairpersons requesting that they contact faculty members about serving on the various standing committees. Final appointments to committees are made only with the agreement of the assistant dean or chairperson. Faculty elections are held for representatives to the Intramural Practice Committee only.

A faculty handbook for the Medical Center is made available to all faculty members but at present the promotions document is not included in the Faculty Handbook. However, a recent study by the Faculty Senate on faculty promotions resulted in several recommendations for each of the schools at the Medical Center. One of the recommendations stated:

> "The written guidelines and procedures for faculty promotion in both the School of Dentistry and Medicine should be published in the UMC Faculty/Staff Handbook".

The Executive Faculty of the School of Dentistry reviewed this recommendation along with the others contained in the Senate report and agreed that the document on promotions should be included in the Faculty Handbook. The Executive Committee also recommended that all new faculty should receive the Handbook and that each year the Dean should distribute the Handbook to all chairpersons with the specific request that it be distributed to all members of the department. Final action on these recommendations will be taken when the Vice Chancellor has reviewed all of the responses from the schools on campus.

Recommendation 3

> It is recommended that the dental administration take whatever steps are necessary to initiate close, formal, working relationships with the Dental Hygiene Program to provide for a rotation of dental hygiene students through the clinics in the School of Dentistry to enhance their knowledge and role of the dental profession.

A Liaison Committee, School of Health Related Professions/School of Dentistry, was established in November, 1979. The committee is composed of three dental hygiene and three dental school faculty.

The committee's goals are:

1. To seek out and suggest ways of better communication and cooperation between the two programs.

2. To suggest common mechanisms and philosophies which can be formulated to teach the students in the two programs to work together effectively.

3. To suggest whether or not a permanent committee should be established.

The Committee has concentrated on the interaction between dental school faculty and students and dental hygiene faculty and students.

In 1979 the dental school faculty presented approximately 70 didactic hours of dental hygiene instruction and 360 hours of clinical instruction. By 1982, dental school faculty participation had increased to approximately 150 didactic hours and 920 hours of clinic activity. During the course of their clinical instruction, dental hygiene students rotate through the Departments of Pedodontics, Periodontics, Restorative Dentistry and the Primary Prevention Center. Dental students participate as clinical student dentists. Dental hygiene faculty participate as clinical instructors and evaluators.

An important aspect of the working relationship between the School of Dentistry and the Dental Hygiene Program is the Patient Recall System which has been established in the School of Dentistry's Primary Prevention Center. All dental school patients are seen on recall in the Center by the dental students at least annually. Dental hygiene procedures are delegated to dental hygiene students by the dental students who have passed their proficiency examinations in these procedures.

Recommendation 4

It is recommended that the operating budget for the administrative services of the Medical Center be separated from the several schools' budgets and be separately identified in budgets presented to the State Legislature for funding.

The administrative services of the Medical Center are presented to the State Legislature as a separate and distinct budget. However, once approved, the Budget Commission identifies each school's portion of service and these amounts are reflected in each of the separate budgets respectively. This method has the approval of the Vice Chancellor of the Medical Center and the Dean of the School of Dentistry.

Recommendation 5

It is recommended that the dental students working in the teaching clinics be more involved in the collection of fees charged patients for dental services provided in the clinics, as an educational benefit to the student.

All patients admitted for care in the teaching clinics other than for Acute Illness treatment are assigned to student teams. Diagnostic services are performed by the students, consultation with faculty for each problem included in the patient's Problem List is obtained by the students, and the students prepare a comprehensive treatment plan integrating all recommended treatment into a sequentially arranged plan. The Integrated Plan includes a fee for each procedure to be performed and the total fee for all services is calculated.

Before any treatment can begin, the student must present the integrated Plan to the patient and discuss with the patient all phases of treatment to be performed and the fees to be charged. Arrangements for payment of the fees are discussed with the patient by the student and any special arrangements for fee payment are negotiated by the student in advance.

The Patient Accounts Subcommittee of the Patient Care/Audit and Review Committee considers applications for special fee considerations submitted by the students. These applications must be accompanied by need documentation information which the student is required to obtain from the patient. When the fees have been thoroughly discussed by the student with the patient and arrangements for payment of fees have been agreed upon, the student is approved by the faculty to proceed with treatment.

The only point at which students are involved in fee collection is at the beginning of any procedure which requires an outside laboratory expense; for example, a removable partial denture. Before a student can proceed with such a procedure, 50% of the fee must be collected with the understanding that the remainder of the fee will be collected when the appliance is fitted.

The Professional Fee System currently in use was not designed to accommodate involvement by students in the collection of patient fees. In spite of the fact that the student has minimal involvement in fee collection the overall collection and bad debt record are very good.

The School of Dentistry faculty believe that the students are receiving excellent instruction and experience in the most important aspect of efficient professional fee management through the Patient Care System which requires that the student and patient have adequate understanding of the fees to be charged and the fee payment arrangement before any treatment for the patient begins. Professional Fee Management is also discussed didactically in the Practice Administration Course which is presented during the student's fourth year.

The Ad Hoc Committee on the School of Dentistry Computer System currently is involved in efforts to coordinate the design and development for computerizing, automating and processing information for the School of Dentistry. The system under development will include a computerized Problem Oriented Dental Record, a Student Clinical Performance Evaluation System and a Patient Billing System. The three systems will be coordinated so that the student's attention to payment of fees by the patient will be required in order for the student to obtain satisfactory performance evaluations for the clinical procedures completed.

Recommendation 6

It is recommended that the Curriculum Committee review the heavy lecture orientation of the educational program and make a determination whether the quantity of lectures cannot be reduced and others replaced with a variety of teaching methodologies.

This recommendation was based upon the opinion of the site-visiting team that there is very little opportunity for students to pursue selectives, extramural activities or research or for students to have a "self-pacing" approach to their learning experience.

Based upon this recommendation the Dean met with a newly appointed Curriculum Committee in September, 1979 and charged the Committee with the responsibility to make a careful study of the curriculum in the light of the recommendations made by the site-visit team.

After a series of meetings during 1979-80 a final report by the Curriculum Committee was presented to the Dean in December, 1980. This report was evaluated by an administrative group selected by the Dean and final approval of a new curriculum was given by the Executive Committee of the School of Dentistry in early 1981. This curriculum was to become effective with the entering class in 1982.

The major features of the new curriculum which address the issues identified by the accreditation report are as follows:

1. Reduction in the number of lectures presented during the latter part of the D-3 year and throughout the D-4 year. This allows for the completion of all required didactic courses during the summer quarter of the D-4 year. As a result of these changes there will be an increase in the amount of time available for clinical practice. The final three quarters of the D-4 year will be spent entirely in clinical practice and electives.

2. A selective/elective program has been introduced into the curriculum. Three hundred eighty four elective hours must be completed satisfactorily as a requirement for graduation. (Currently, elective programs are not required for graduation).

3. An undergraduate research program was initiated this summer. Participants in this program will have the opportunity to spend their elective hours in research during their D-4 year.

During the next four years the new curriculum will be phased into operation and the old phased out. Wherever possible the features of the new curriculum will be introduced into the old curriculum. In particular the development of elective experiences is being given high priority by the Curriculum Committee and will be offered to our current D-4 students thus allowing a certain amount of flexibility in their curriculum.

Another important aspect of the curriculum development is the provision of opportunities for faculty members to develop innovative alternatives to the lecture format for the dissemination of information. The new Learning Resources building together with the facilities available in the School of Dentistry provide excellent opportunities for these developments.

As part of the elective program extramural programs will be offered involving opportunities for the students to work in dental offices throughout the state and experiences in clinic sites including specialized hospitals and schools.

In summary, the recommendations made in 1979 have been addressed thoroughly and the suggestions made have either been implemented or will be so as the new curriculum is introduced.

Recommendation 7

It is recommended that a functioning hospital dental service through which continuing dental care can be offered and with personnel available at all times, rather than sporadically, be developed and implemented to provide a mechanism to allow an adequate hospital experience for students.

This recommendation is based upon the view held by the visiting committee that "the total hospital experience for present students is deficient, consisting of minimal clinic periods .... considered to be insufficient".

Implementation has taken the form of several approaches all aimed at providing continuing hospital dental care and hospital experience for students.

1. In July, 1980, a General Practice Dental Residency Program was initiated and based in the dental clinic in the University Hospital. Two residents were enrolled during 1980-81 and three residents were enrolled during 1981-82. The program will be expanded to six residents in July, 1982. This program has resulted in the provision of a continuous dental care resource in the University Hospital providing care for both in-patient and out-patient populations twenty-four hours/day.

2. All students participate in a thirty hour course in Systemic Diseases which consists entirely of a hospital rotation. Each student accompanies the Chairman of the Department of Hospital Dentistry and Dental Specialties, and/or the Chairman of the Department of Oral and Maxillofacial Surgery, as they participate in their hospital duties. The students gain experience with handicapped patients, operating room experience and are also "on call" during their rotation. The students attend rounds and work with the residents when appropriate. The "on call" requirement affords the students the opportunity to experience dental emergency treatment procedures in a hospital emergency room setting. The students are "on call" with a General Practice Resident and an assigned faculty member.

3. An elective program also is offered by the Veterans Administration Hospital. Students may elect to participate in this program for up to 24 hours. They work in the dental clinic in the V.A. Hospital where they gain experiences similar to those obtained in their required hospital rotation though the patient population is quite different.

LDEPT=92000

UMCNO	ROOM	DESC	MAKE	SERIAL	COST	PDEPT	RPAGE	ACQ	VOUCHER	PONO
0035089	0	CHAIR SWIVEL WOOD			$239.97	92700	088	0974	008682	00000
0035617	0	BOOKCASE WOOD	HFE	UKN	$57.20	92700	091	1274	018733	00000
0036884	0	TRIMMER MODEL DENTAL		31332	$115.50	92000	096	0575	034635	00000
0036885	0	TRIMMER MODEL DENTAL		31335	$115.50	92000	096	0575	034635	00000
0043033		ARTICULATOR	HEN	24904	$243.22	63012	122	0677	033180	66748
0043038		ARTICULATOR	HEN	24889	$243.22	63012	122	0677	033180	66748
0045119		CHAIR SWIVEL METAL	GF2		$102.00	77061	126	1077	008395	62557
0045738		STOOL LABORATORY METAL	DTU		$94.58	77061	124	0877	000277	62576
0045927		CHAIR TYPIST	GF2		$103.78	77061	126	1077	008395	62557
0046334		SHELVING STEEL ADJUSTABLE	GF2		$65.02	77061	126	1077	008395	62557
0046343		SHELVING STEEL ADJUSTABLE	GF2		$65.02	77061	126	1077	008395	62557
0046355		CABINET SUPPLY	BTL		$200.58	77061	125	0977	000447	62532
0046731		MACHINE CALCULATOR PRINTING	CN8	L511615	$191.75	63013	128	1277	015080	81699
0053922		GRINDER PORTABLE ELEC	HNG	616251	$168.00	92000	149	0979	005098	82134
0053993		GRINDER PORTABLE ELEC	HNG	16253	$170.09	92000	149	0979	005098	82134
0054293		PLASTIHEATER	AHS	60140	$116.46	92000	151	1179	010597	85353
0054298		PLASTIHEATER	AHS	60141	$116.46	92000	151	1179	010597	85353
LDEPT					$2,410.35					
N=17										

LDEPT=92001

UMCNO	ROOM	DESC	MAKE	SERIAL	COST	PDEPT	RPAGE	ACQ	VOUCHER	PONO
0037772	0	MACHINE CALCULATOR ELECTRONIC	UCM	134776	$39.95	92700	100	0975	006459	00000
N=1										

LDEPT=92003

UMCNO	ROOM	DESC	MAKE	SERIAL	COST	PDEPT	RPAGE	ACQ	VOUCHER	PONO
0038823	0	CASSETTE VIDEO FILM	SNS	10493	$1,250.00	63011	109	0676	037017	00000
0043358		TABLE CORNER	SGC		$135.00	92003	122	0677	031431	56014
0043359		LIGHT FIXTURES NONPORTABLE			$95.00	92003	122	0677	031431	56014
0045378		PROJECTOR FILMSTRIP	EK	3667865	$199.95	77061	124	0877	000232	62579
LDEPT					$1,679.95					
N=4										

LDEPT=92004

UMCNO	ROOM	DESC	MAKE	SERIAL	COST	PDEPT	RPAGE	ACQ	VOUCHER	PONO
0034048	0	PROJECTOR SLIDE	EK	0000002650553	$208.53	92000	084	0574	031219	00000
0049441		WEIGHT STANDARDIZER	CRI	701193	$141.50	77061	131	0378	021817	87094
LDEPT					$350.03					
N=2										

LDEPT=92009

UMCNO	ROOM	DESC	MAKE	SERIAL	COST	PDEPT	RPAGE	ACQ	VOUCHER	PONO
0054102		SKULL DISPLAY	CA		$472.00	92009	148	0879	002687	54211
N=1										

LDEPT=92011

UMCNO	ROOM	DESC	MAKE	SERIAL	COST	PDEPT	RPAGE	ACQ	VOUCHER	PONO
0046797		PROJECTOR CAROUSEL	EK	3863245	$214.60	63013	129	0178	017599	83420

LDEPT=94000

UMCNO	ROOM	DESC	MAKE	SERIAL	COST	PDEPT	RPAGE	ACQ	VOUCHER	PONO
0032682	0	STAND TIFFANY	TS		$45.86	28003	077	0973	011973	00000
0033284	0	RADIO DISPATCH RECEIVING	MOT	000000N59N5N	$299.74	36503	081	0174	019972	00000
0033340	0	MACHINE ADDEL 10K 9 COL OR MORE	OLV	0000A3208893	$127.00	92000	081	0274	020631	00000
0034050	0	MACHINE TRANSCRIBING	IBM	632723492044	$520.00	92700	085	0574	033333	00000
0034124	0	BATH WATER ELEC		74	$66.30	92700	091	1274	017800	00000
0034223	0	CAMERA POLAROID	PRC	CX434200	$93.03	92000	085	0774	034677	00000
0034413	0	APPARATUS DENTAL		0574	$202.80	92000	086	0774	002596	00000
0035481	0	TABLE CONFERENCE			$514.43	55000	089	1074	010310	00000
0035636	0	BOOKCASE WOOD			$158.00	54811	090	1174	016102	00000
0035637	0	BOOKCASE WOOD			$158.00	54811	090	1174	016102	00000
0037080	0	WELDER SPOT	RKM	10847-5	$280.00	54980	097	0675	039901	00000
0037347	0	VIEWER X RAY FILM MEDICAL			$40.80	54980	098	0775	001156	00000
0037349	0	VIEWER X RAY FILM MEDICAL			$40.80	54980	098	0775	001156	00000
0037457	0	TYPEWRITER ELECTRIC PORTABLE		CWL3133845	$229.46	92700	099	0875	002671	00000
0037460	0	STOOL METAL SWIVEL		53523	$252.00	54980	099	0875	003051	00000
0037561	0	PROJECTOR CAROUSEL	EK	2769868	$189.34	92700	099	0875	003673	00000
0038107	0	MACHINE SAND BLAST		11853N	$88.50	92000	097	0675	036507	00000
0038293	0	PRINTER STRIP PHOTO			$297.00	92000	102	1175	012995	00000
0039179	0	PROJECTOR CAROUSEL	EK	3009622	$168.71	92000	102	1175	012999	00000
0035250	0	CAMERA LABORATORY	MOT	2876378	$465.00	55350	106	0276	023002	00000
0039314	0	MACHINE DICTATING	IBM	310341	$504.40	92000	105	0276	023718	00000
0039365	0	COSTUMER METAL	HON		$36.30	28003	105	0276	023596	00000
0039374	0	CLEANER ULTRASONIC		1054	$191.25	92000	101	1075	008399	00000
0039377	0	CHAIR TYPIST	UCC		$78.63	92700	101	1075	009712	00000
0039386	0	TABLE WORK METAL			$76.00	92000	101	1075	008455	00000
0039388	0	FLASH UNIT ELECTRONIC		2529281	$72.00	63011	101	1075	009724	00000
0039552	0	PROJECTOR SLIDE	EK	3259206	$151.60	63011	106	0376	026182	00000
0039741	0	CABINET MICROSCOPE SLIDE			$90.00	92000	107	0476	029777	00000
0040196	0	RECEIVER REMOTE	MOT	R45N85	$340.12	92000	109	0676	035957	00000
0040197	0	RECEIVER REMOTE	MOT	R45N93	$340.12	92000	109	0676	035957	00000
0040198	0	RECEIVER REMOTE	MOT	R45N55	$340.12	92000	109	0676	035957	00000
0040206	0	ELECTROMYOGRAPH W POLAROID		760429-1	$177.50	92000	111	0876	002682	00000
0040207	0	ELECTROMYOGRAPH W POLAROID		760429-2	$177.50	92000	111	0876	002682	00000
0040268	0	DISPLAY SECTIONS WALL			$2,200.00	54812	109	0676	037829	00000
0040469	0	FLASH UNIT ELECTRONIC		2530474	$67.96	63011	109	0676	037833	04000
0040875	0	TESTER LABORATORY			$345.00	92000	111	0876	003868	00000
0040890	0	CAMERA POLAROID		CB338355	$715.50	92000	112	0976	005578	00000
0041248	0	SCREEN PROTECTIVE			$74.70	92003	114	1176	12119	00000
0041420	0L	CASE CAMERA			$120.12	92003	114	1176	13078	00000
0041996		PROJECTOR OVERHEAD	MMN	156381	$499.00	77061	118	0377	024000	61009
0042035		PROJECTOR OVERHEAD	MMN	156379	$499.00	77061	118	0377	024000	61009
0042168		SAW JIG WOODWORKING	SKL	695683	$150.75	77061	119	0477	027016	62590
0042375		MACHINE CALCULATOR ELECTRONIC	CNS		$39.95	92000	119	0477	027366	66030
0042594		MICROPHONE	SNS	62904	$73.50	54860	120	0577	028879	63238
0042595		MICROPHONE	SNS	62907	$73.90	54860	120	0577	028879	63238
0043780		CART UTILITY	LM		$60.55	77061	124	0877	000233	62586
0044021		BENCH UPHOLSTERED	CST		$94.35	77061	124	0877	005107	62584
0044032		VACUUM CLEANER	HOV	56424	$77.82	77061	124	0877	005106	62589
0044033		CART TILT	REM		$262.75	77061	124	0877	005106	62589
0044034		CART TILT	REM		$262.75	77061	124	0877	005106	62589
0044173		CHAIR MODULAR	CST		$184.78	77061	125	0977	000433	62582
0044252		CHAIR MODULAR	CST		$214.78	77061	125	0977	000433	62582
0044397		STOOL HOSPITAL & DENTAL	DTS	52804	$219.00	77061	125	0977	000450	62574
0044470		FIBROMETER	CDS	078276	$134.11	77061	124	0877	000277	62577
0044514		BOOKCASE METAL	GF2		$48.02	77061	126	1077	008395	62557
0044524		BOOKCASE METAL	GF2		$79.45	77061	126	1077	008395	62557
0044525		BOOKCASE METAL	GF2		$79.49	77061	126	1077	008395	62557
0044529		VITALOMETER	BIN	298	$133.00	77061	126	1077	008460	62577
0044546		CHAIR EXECUTIVE WOOD	HHS		$405.00	77061	125	0977	000446	62581
0044837		CABINET DENTAL INSTRUMENT	HPD	5384	$374.00	77061	124	0877	000210	62573
0044920		MACHINE HONING	HNG	811071	$93.82	77061	124	0877	000277	62576
0044921		MACHINE HONING	HNG	811072	$93.82	77061	124	0877	000277	62576
0044928		MACHINE HONING	HNG	811073	$93.82	77061	124	0877	000277	62576
0045052		CHAIR SWIVEL METAL	GF2		$108.30	77061	126	1077	008395	62557
0045092		CHAIR SWIVEL METAL	GF2		$97.38	77061	126	1077	008395	62557
0045226		CHAIR STRAIGHT METAL	GF2		$47.98	77061	125	0977	000449	62591
0045323		CHAIR STRAIGHT METAL	GF2		$40.05	77061	125	0977	000449	62591
0045506		CABINET LATERAL FILE	GF2		$233.39	77061	126	1077	008395	62557
0045528		DESK EXEC METAL	GF2		$384.16	77061	126	1077	008395	62557
0045657		STOOL LABORATORY METAL	DTU		$94.58	77061	124	0877	000277	62576
0045669		STOOL LABORATORY METAL	DTU		$94.58	77061	124	0877	002779	62516

LDEPT=94000

UMCNO	ROOM	DESC	MAKE	SERIAL	COST	PDEPT	RPAGE	ACQ	VOUCHER	PONO
0045740		STOOL LABORATORY METAL	DTU		$94.58	77061	124	0877	000277	62576
0045851		STOOL HOSPITAL & DENTAL	DNS	21059	$249.77	77061	124	0877	000277	62576
0045898		SHELVES OPEN ADJUST	GF2		$46.41	77061	126	1077	008395	62557
0045931		CHAIR TYPIST	GF2		$65.07	77061	125	0977	000527	62559
0046280		CHAIR EXECUTIVE WOOD	HIS		$428.73	77061	125	0977	000527	62559
0046281		CHAIR EXECUTIVE WOOD	HIS		$467.56	77061	125	0977	000527	62559
0046288		CHAIR SIDE W ARMS	KNA		$218.64	77061	125	0977	000621	62563
0046322		MACHINE ULTRASOUND	SHI	P01702	$732.38	77061	124	0877	000277	62576
0046325		LAMP LABORATORY	DEM		$53.00	77061	126	1077	008464	62585
0046353		CABINET SUPPLY	BTL		$200.56	77061	125	0977	000447	62552
0046354		CABINET SUPPLY	BTL		$200.56	77061	125	0977	000447	62552
0046391		STOOL ADJUSTABLE METAL	WG2		$116.00	54860	127	1177	012932	74791
0046813		ARTICULATOR	HEN	26328	$221.12	63013	127	1177	013398	77113
0046702		ILLUMINATOR TEST SLIDE	GE		$89.00	47000	128	1277	016982	80879
0046727		MACHINE CALCULATOR PRINTING	CNA	L508025	$191.75	63013	128	1277	015080	81699
0046728		MACHINE CALCULATOR PRINTING	CNA	L510052	$191.75	63013	128	1277	015080	81699
0046893		HEADHOLD-R			$383.00	63013	130	0278	020643	83735
0046939		MACHINE DICTATING	NDM	55020	$206.80	62983	130	0278	019646	85417
0046940		MACHINE DICTATING	NDM	60485	$206.80	62983	130	0278	019646	85417
0046956		MACHINE DICTATING	NDM	734174673	$373.06	63013	130	0278	019646	85421
0046957		MACHINE DICTATING	NDM	59987	$206.80	63013	130	0278	019646	85421
0046958		MACHINE DICTATING	NDM	55931	$206.80	63013	130	0278	019646	85421
0046959		MACHINE DICTATING	NDM	60495	$206.80	63013	130	0278	019646	85421
0049388		CAMERA 35 MM	CNA	304113	$464.95	63013	130	0278	020646	83403
0045843		MACHINE DICTATING	LLA	106431	$215.00	62983	131	0378	021820	85419
0045844		MACHINE DICTATING	LLA	110419	$215.00	62983	131	0378	021820	85419
0049843		VIBRATOR	HEN		$58.18	77061	132	0478	008634	62578
0049844		VIBRATOR	HEN		$58.18	77061	132	0478	008634	62578
0051837		TYPEWRITER ELECTRIC 15 IN CARR	IBM	4644266	$745.00	63014	133	1178	009379	90815
0032359		CART GENERAL PURPOSE	CI3		$72.50	62984	141	0179	014948	60258
0053920		TYPEWRITER ELECTRIC 15 IN CARR	IBM	6384210	$780.00	94000	149	0979	004849	79562
0053956		TYPEWRITER ELECTRIC 15 IN CARR	IBM	6373751	$780.00	94000	149	0979	006310	80365
LDEPT					$24,473.81					
					$29,640.69					

N=103

PRIVATE PRACTICE PLAN FOR GEOGRAPHIC FULL TIME FACULTY

SCHOOL OF DENTISTRY

UNIVERSITY OF MISSISSIPPI

August 1, 1979

I. INTRODUCTION

The existing intramural practice plan for the School of Dentistry, University of Mississippi was developed by the faculty and approved by the Vice Chancellor and the Board of Trustees in November, 1974. The original plan for private practice for geographic full time faculty of the School of Dentistry had been developed after a review of similar plans in other schools in this region. It was established to permit a system of individual incentive and reward under controlled conditions. The plan had been proposed in order that outstanding clinical faculty would be recruited in a highly competitive job market to help assure the continued development of the School of Dentistry. The plan has also allowed faculty to advance their clinical skills in order to become more proficient in teaching.

We have followed this plan for the past four years and during this time have substantially increased the number of full time faculty relative to the first group of faculty who developed the original plan. Our experience to date has indicated a need to refine the guidelines under which full time dental faculty will practice. Therefore, a revised plan has been developed which continues to support the concept of the need for faculty practice. The new plan is intended to clarify rules of practice and to support the primary goals of education, patient care and research for the School of Dentistry. The revised plan establishes more clearly defined guidelines which are to be equitably applied and reviewed at periodic intervals.

Any geographic full time member of the clinical faculty of the University of Mississippi School of Dentistry should be permitted to treat patients in the University of Mississippi Medical Center facilities or any of the school's affiliated clinics provided this individual is licensed to practice in the State of Mississippi.

II. DEFINITION OF TERMS

A. Geographic Full Time - a designation of faculty who devote full time to teaching, patient care, research and other scholarly activities, and conduct an intramural practice within the clinics of the School of Dentistry or any of the clinics within hospitals or institutions affiliated with the School of Dentistry.

B. Contractual Salary - The base salary specified in the annual contract with the University of Mississippi School of Dentistry or other divisions of the University at the Medical Center.

C. Collected Gross Income - Income earned by personal consultative and patient care services of the faculty member who participates in the practice plan.

D. Collected Adjusted Gross Income - Gross income less commercial laboratory fees and cost of precious metals.

E. Collected Net Income - The sum remaining from adjusted gross income after deductions for:

1. Operational Costs of the Clinic (27.5% of the Collected Adjusted Gross Income)

2. Payments to the School of Dentistry Development Fund (2.5% of Collected Adjusted Gross Income)

III. OPERATIONAL GUIDELINES

A. Practice Time - All geographic full time faculty members licensed to practice will be permitted to practice an average of eight hours per week. This represents a yearly total of 416 hours. Centralized appointments will be made and coordinated by the patient account representative assigned to the Intramural Practice Clinic. Collected adjusted gross income received from practice hours above the yearly allowance will go to the School of Dentistry. Practice will be scheduled during the normal working hours from 8:00 a.m. to 12:00 a.m. and 1:00 p.m. to 5:00 p.m. of the usual work week. There will be no faculty practice other than emergency care on nights, weekends, or Medical Center holidays unless so stated by the dean.

B. Sources of Gross Income - Gross income is money received for patient care services. Gross income for the purposes of this plan excludes: prizes and awards, returns from interests in royalties, copyrights and patent rights within the guidelines of University policy on such matters; non-professional income; compensation received as a result of military leave; income earned during sabbatical; leave without pay or vacation; and honoraria for such professional services as lectures, extramural consultations and site visits.

C. Disbursement of Adjusted Gross Income - Adjusted gross income will be disbursed to the items of expense in the order listed below.

Calculation of Net Income:

Less: Commercial outside Laboratory Expenses and Costs for Precious Metals

Equal: Collected Adjusted Gross Income

Collected Adjusted Gross Income:

Less: Operational Cost of the Clinic (27.5% of Collected Adjusted Gross Income)
Payments to the School of Dentistry Development Fund (2.5% of Collected Adjusted Gross Income)

Equal: Collected Net Income

1. Commercial Outside Laboratory Expenses - All commercial outside laboratory expenses and purchases of precious metals will be recorded but not paid through the computer billing system and will require presentation of the original invoice from a commercial outside laboratory or a dental supply house. Participants will be responsible for paying such expenses.

2. Inside Laboratory Expenses - Those practitioners who choose not to utilize such outside commercial laboratories but instead choose to produce private laboratory work shall do so under the following guidelines:

   a) laboratory work within the School will not be allowed during the regular working hours except during assigned practice hours.

   b) dental materials and supplies for the production of private laboratory work will be obtained from the Intramural Practice Clinic except precious casting metals which will not be provided by the School.

   Any employee of the School of Dentistry using contractual school time, school facilities or school materials for private practice beyond these guidelines will have the privilege of private practice withdrawn by the dean.

3. Operational Costs - Operational Costs will be calculated at 27.5% of the Adjusted Gross Income described in III C. This percentage will be audited quarterly with respect to meeting the expenses of the plan and indicated adjustment for overages or shortages will be adjusted for actual expenses incurred.

D. Income Limitations - Any collected net income in excess of the participant's base salary will be distributed as follows:

   50% - to the School of Dentistry (includes operational and development fund costs)
   50% - to the participant

   Also collected adjusted gross income received from practice hours above the yearly allowance will go to the School of Dentistry.

E. Billing and Collecting - All billing and collecting will be done centrally by an individual appointed by the dean. This individual will be responsible for collecting all earnings from private practice and keeping records on all billings and payments received. All income collected will be deposited in the Medical Center official depository. Collected net income will be distributed to all participants on a monthly basis.

All financial records will be audited by the dean or his representative at the end of the fiscal year. The records will be kept up to date and open for inspection by the dean or by the Vice Chancellor of the Medical Center or his designee at any time during the year. Appointment books recording the daily private practice will be kept in the Intramural Practice Clinic and are subject to review by the dean or his authorized representative.

IV. GOVERNANCE OF THE PRACTICE PLAN

A. Administration - The Director of Business Administration of the School of Dentistry will serve as the Plan Administrator of the Private Practice Plan and will be an ex officio member of the Advisory Committee without vote. The duties of the Plan Administrator will be established by the Advisory Committee with the advice and consent of the dean.

B. Advisory Committee - The committee shall consist of one member from each clinical department who will be elected by the members of each department for a term of one year. The Plan Administrator shall be an ex officio member without vote. The purpose of this committee shall be to advise the Plan Administrator and the dean in matters pertaining to the effectiveness of the Plan and how it serves the needs of the participants. Each member of this committee shall hold quarterly meetings with participants from the member's department before and following the regular meetings of the Advisory Committee. Reports of minutes from these clinical departmental meetings shall be submitted to the chairman of the Advisory Committee to aid in planning the quarterly agenda.

C. Officers - The officers will be a chairman and a secretary elected annually from the members of the Advisory Committee. The chairman shall preside.

D. Meetings - Quarterly meetings will be held. Additional meetings may be called by the chairman or by request of three or more members of the Advisory Committee. Notices of the meetings and an agenda will be distributed no less than one week prior to the meeting. A recommendation requires a quorum of four or more of the members to be present and majority vote. At the general faculty meeting following each Advisory Committee meeting the chairman of the committee will report significant actions and recommendations of the committee to all faculty who participate in the Intramural Practice Plan.

SPECIAL REPORT
Reconciliation of Intramural Practice Plan
School of Dentistry
For the Period
August 1, 1979 through December 31, 1980

DISTRIBUTION

Wallace V. Mann, Jr., D.M.D., Dean, School of Dentistry	1
Glen E. Robinson, D.M.D., Assistant Dean for Clinical Programs	1
Bob Norsworthy, Jr., Director of Business Administration	1

THE UNIVERSITY OF MISSISSIPPI MEDICAL CENTER
2500 North State Street
JACKSON, MISSISSIPPI 39216

Office of Internal Auditing

Area Code 601
987-3507

October 6, 1981

Wallace V. Mann, Jr., D.M.D.
Dean, School of Dentistry

We have completed our reconciliation of the School of Dentistry Intramural Practice Plan for the period August 1, 1979 through December 31, 1980. The adjustments necessary to correct errors made during this period are a part of this report. Clinical Programs personnel are currently reconciling the transactions from January 1, 1981 forward.

During the reconciliation process, it became apparent that the major causes for the errors are insufficient knowledge by personnel and a general lack of adequate supervision in day to day operation.

In our opinion, the School of Dentistry should:

1. Provide more supervision in the day to day operation of the Professional Fee System. A thorough understanding of the Professional Fee System by all levels of management is a goal which should be established.
2. A comprehensive manual of policies and procedures should be developed for the Intramural Practice Plan and its associated Professional Fee System.

If any assistance is required in making the correcting adjustments, this office will be available to help the Clinical Programs personnel.

Arvid Nielsen, CPA
Director of Internal Auditing

ENTRIES REQUIRED IN ACCOUNTING FOR ERRORS

1. In June, 1980, a patient refund check for $20.00 to Armae Pickett was charged against Account #81221 in error. The check should be charged against Account #90002. No entry required for the IP System.

2. In March, 1980, a receipt of $5.00 from a clinical program patient was deposited in Account #81221 in error. The receipt should be deposited in Account #90002. An entry to the IP System is required to reverse the unapplied cash. (Dr. Tryon, Pt. 050946)

3. When closing entries were made in December, 1980, problems were created which resulted in transferring funds to the overhead and developments in excess of the correct amounts. Account #81221 is due $473.55 from Account #81159 and $43.10 from Account #81150. No entry is required for the IP System.

THE FOLLOWING ADJUSTMENTS ARE REQUIRED FOR ERRORS RELATING TO DEPOSITS AND RETURNED CHECKS

		ACCOUNT ID NUMBERS	PROCEDURE CODE	PHYSICIAN CODE	DEBIT	CREDIT
1.	Joyce Chaney/Burt, 2-4-80, Never Entered	01813900	9999 Reduces ADAMS	ADA01	50.00	
2.	Marie Martin, 4-8-80, Never Entered	02768500	9999	ADA01	50.00	
3.	Susan Sharp, 4-28-80, Entered to IPO In Error	03363400 03363400	9999 9999	GIL01 IPO00	140.00	140.00
4.	Barbara Erwin, 12-19-80, Never Entered	98878200	9999	MAI01	25.00	
5.	John Kelly, 12-19-80, Incorrect Procedure Code	95401200 95401200	9999 0108	HEL01 HEL01	25.00	25.00
6.	Bob Bellipanni, 10-6-80, Not Redeposited but Entered As Such	04254400	9999	PAR01	35.00	
7.	Diane Shields, 2-26-80, Returned Check Entry To Wrong Account	00000000	9999	STO01		5.00
8.	Lynn Batte, 2-22-80, Returned Check Entry To Wrong Account	00000000	9999	MAR01		140.00
9.	Fred St. Clair, Jr., 9-16-80, Entered To IPO in Error	04118100 04118100	9999 9999	IPO00 SIL01	15.00	15.00
10.	A. E. Anthony, 11-18-80, Entered To IPO in Error	03616100 03616100	9999 9999	IPO00 MAN01	50.00	50.00

THE FOLLOWING ADJUSTMENTS ARE REQUIRED FOR ERRORS RELATING TO ADMINISTRATIVE ADJUSTMENTS

	ACCOUNT ID NUMBERS	PROCEDURE CODE	PHYSICIAN CODE	DEBIT	CREDIT
1. AA #973, Deborah Richard, Correcting Unapplied Cash	07172200	0101	ROB01	55.00	
	07172200	9999	ROB01		55.00
2. AA #632, Cynthia Libby	99672600	9999	AMO01	5.00	
	99672600	9992	AMO01		5.00
3. AA #458, Jack Rice	03154200	9999	MAN01	30.00	
	03154200	0402	MAN01		30.00
4. AA #533, David Johnson	99704800	9999	MAI01	160.00	
	99704800	9996	MAI01		160.00
5. AA #551, Mary Cashion	99374300	9999	MAI01	35.00	
	99374300	0101	MAI01		10.00
	99374300	0103	MAI01		25.00
6. AA #573, Kenneth Autrey	00668800	9999	HOD01	8.00	
	00668800	9992	HOD01		8.00
7. AA #650, C. C. Barnes	05606500	9999	OPS01	15.00	
	05606500	0618	OPS01		45.00
8. AA #668, Sarah Opperthauser	03523800	9999	WIL01	50.00	
	03523800	0802	WIL01		20.00
	03523800	0803	WIL01		30.00
9. AA #686, Jeanie Smith	04174200	9992	OCA01	10.00	
	04428800	9999	OCA01	35.00	
	04428800	0199	OCA01		25.00
	04428800	9992	OCA01		35.00

THE FOLLOWING ADJUSTMENTS ARE REQUIRED FOR ERRORS RELATING TO ADMINISTRATIVE ADJUSTMENTS, CONTINUED

	ACCOUNT ID NUMBERS	PROCEDURE CODE	PHYSICIAN CODE	DEBIT	CREDIT
10. AA #905, Marion Hammock	04088600	9999	DIC01	90.00	
	04088600	9992	DIC01		90.00
11. AA #913, John Ewing	00086800	9999	MAI01	20.00	
	00086800	9992	MAI01		20.00
12. AA #924, Kimberly Taylor	95367900	9999	HEL01	25.00	
	95367900	0101	HEL01		25.00
13. AA #941, Bernice Harris	07041600	9999	MAI01	35.00	
	07041600	0101	MAI01		10.00
	07041600	0103	MAI01		25.00
14. AA #617, Chuck Westcott	03503300	9999	MAI01	120.00	
	03503300	9992	MAI01		120.00

THE FOLLOWING ADJUSTMENTS ARE REQUIRED FOR ERRORS RELATING TO REFUNDS MADE TO PATIENTS

	ACCOUNT ID NUMBERS	PROCEDURE CODE	PHYSICIAN CODE	DEBIT	CREDIT
1. Victor Colowash, Refunded	02697200	9999	DUN01	525.00	
On 3-13-80, Entry Incorrect	02697200	0824	DUN01		525.00
2. Cheryl Lee, Refunded					
On 4-8-80, No Entry	09751400	9999	MAI01	25.00	
3. Jane Luke, Refunded	03065100	9999	GIL01	19.20	
On 9-22-80, Entry Incorrect	03065100	9992	GIL01		19.20

OTHER ADJUSTMENTS

1. In March, 1980, a check was issued to Dr. Helpin for $10.00. There is no documentation available to indicate that this was proper.

   Due from Dr. Helpin 10.00

2. In October, 1980, a check was issued to Carol Evans for $30.00. Ms. Evans is a patient of Dr. Mann. There is no indication that Ms. Evans ever paid anything into the IP System.

   Due from Dr. Mann 30.00

3. In July, 1980, Dr. Gilbert was paid twice for two patient receipts. One payment was from the IP System Output and the other was a special check. (Naomi Huddleston - $75.00/ Sarah Haines - $250.00)

   Due from Dr. Gilbert 325.00

4. In November, 1980, an error was made in correcting payments to Dr. Dickerson for unapplied cash. He was paid the gross receipts by a special check. The payment from the IP System was not adjusted for this amount.

   Due from Dr. Dickerson 96.00

5. In February, 1980, Dr. Williams had a net credit for Gross Collections. The next disbursement to him should have been reduced.

   Due from Dr. Williams 150.49

School of Dentistry
Intramural Practice Audit
October 8, 1981

Doctor	No. of Transactions	Due to School	Due to Doctor
Adams	2	$ 100.00	$
Gilbert	3	484.20	
Mainous	7	420.00	
Helpin	3	60.00	
Parkel	1	35.00	
Stokes	1		5.00
Martin	1		140.00
Silberman	1		15.00
Mann	3	10.00	
Robinson	1		55.00
Amonett	1	5.00	
Hodgson	1	8.00	
O/P Services	1	15.00	
Williams	2	200.49	
O'Carroll	1	35.00	
Dickerson	2	186.00	
Duncan	1	525.00	
TOTAL	32	$2,083.69	$ 215.00

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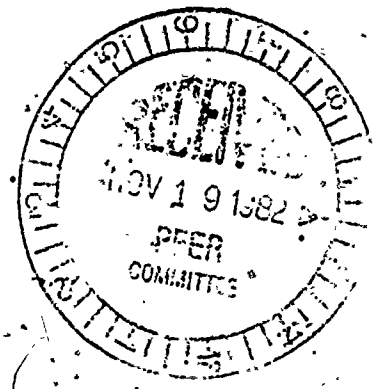
14. Tryon, Ames F., and Alexander, William N. The User's Guide to the Problem-Oriented Dental Record. Massachusetts: Ginn Custom Publishing, 1980.

Board of Trustees of State Institutions of Higher Learning

3825 Ridgewood Road
P. O. Box 2336
JACKSON, MISSISSIPPI 39205
(601) 982-6611

Office of the
Executive Secretary and Director

November 19, 1982



Mr. John W. Turcotte, Director
PEER Committee
Woolfolk State Office Building
Jackson, Mississippi 39205

Dear Mr. Turcotte:

Enclosed is the final response of the University of Mississippi School of Dentistry to the report of the Mississippi Legislature Joint Committee on Performance Evaluation and Expenditure Review entitled "An Analysis of the Operation of the University of Mississippi School of Dentistry."

Please feel free to contact this office when we can provide additional information.

Sincerely yours,

E. E. Thrash

E. E. Thrash
Executive Secretary and Director

EET:km

Enclosure

THE UNIVERSITY OF MISSISSIPPI MEDICAL CENTER
2500 North State Street
JACKSON, MISSISSIPPI 39216

Office of the Vice Chancellor
for Health Affairs

Area Code 601
987-4572

November 19, 1982

'82 NOV 19 A9:16

Dr. E. E. Thrash
Executive Secretary and Director
Board of Trustees of State Institutions
of Higher Learning
P.O. Box 2336
Jackson, MS 39205

Dear Doctor Thrash:

Enclosed is the response of the School of Dentistry to the final draft report, "An Analysis of the Operation of the University of Mississippi School of Dentistry," by the Mississippi Legislature Joint Committee on Performance Evaluation and Expenditure Review, for your review. We respectfully request approval by the Board of Trustees of State Institutions of Higher Learning and subsequent transmittal to the PEER Committee.

Sincerely yours,

Norman C. Nelson, M.D.
Vice Chancellor for Health Affairs
Dean, School of Medicine

Approved:

Porter L. Fortune, Jr.
Chancellor

178

THE UNIVERSITY OF MISSISSIPPI MEDICAL CENTER
2500 North State Street
JACKSON, MISSISSIPPI 39216

School of Dentistry
Office of the Dean

Area Code 601
987-4859

November 18, 1982

Dr. Norman C. Nelson
Vice Chancellor for Health Affairs
University Medical Center
2500 North State Street
Jackson, Mississippi 39216

Dear Dr. Nelson:

The School of Dentistry has reviewed the revised draft report, "An Analysis of the Operation of the University of Mississippi School of Dentistry", by the Mississippi Legislature Joint Committee on Performance Evaluation and Expenditure Review. The purpose of this response is to provide supplemental information to the PEER Committee and to comment on the final recommendations of the committee.

We are submitting our response for your review, comments and transmittal.

Sincerely,

Wallace V. Mann, Jr., D.M.D.
Dean, School of Dentistry

WVM/slp

cc: Dr. Robert W. Comer, Director of Planning and Program Development

179

The University of Mississippi School of Dentistry is pleased to have this opportunity to provide final comments on the PEER Committee's revised report as well as specific responses to recommendations the Committee has made. We recognize the time the Committee has spent on the report and appreciate the consideration each member has given to the School of Dentistry's operation.

First, let us say that we believe the school will benefit from the observations and recommendations made by the PEER Committee in the areas of financial management practices. Many of the suggested improvements in financial procedures, in fact, have already been noted and are being implemented; other recommendations will require further study and review before they can be instituted since the school depends upon the centralized Medical Center service area for fiscal support in accounting, purchasing, budgeting, and inventory matters and does not function in a free-standing manner. However, we recognize their merit.

We agree with the statement that "the primary emphasis of the report is effective cost management" and readily accept those recommendations. We believe that they will be helpful in our effort to improve our financial operation and reduce costs.

However, we would respectfully point out that the review was conducted at a time in our history when comparisons with other, longer-established schools may not be entirely applicable. Cost per student is always higher for developing educational institutions than it is for more mature schools. Thus data from the PEER report might have been more applicable if comparisons had been drawn with dental schools in similar stages of development.

This still young school has developed a solid educational program in direct response to the dental health needs of our state and already has begun to establish a record in which all Mississippians can take pride:

- sixty-eight of our 107 graduates - or 64 percent - are in general practice in Mississippi;
- a major building project was completed in 1977, just four years after the legislature authorized the school's establishment;
- full accreditation was earned in 1979, setting a record among American dental schools for speed of start-up time; and
- the school already has an approved general practice residency program, in its third year.

But second, we must take strong exception to the observations and recommendations concerning curriculum matters. It is our belief that the PEER Committee as presently constituted, with no one experienced in dental education as a member, should not evaluate the content of an educational program of a university. The statement that this is the only dental school with a comprehensive care clinical teaching program is not correct, and the conclusion that its instructional philosophy should be changed is in direct conflict with the conclusions of our national accrediting agency, the American Dental Association (ADA) Commission on Accreditation. The curriculum was fully accredited after extensive review by the Commission which is recognized by the Council on Postsecondary Accreditation and the Commissioner of Education of the United States. It met all required standards.

In FY 1981, the school ranked 43rd among 60 American dental schools in the amount of research revenue. The report calls this "low." That would be an appropriate term for a long established school, but not for a school only

seven years after the enrollment of its first students. We urge the Committee's reconsideration here.

The school has carefully analyzed all of the recommendations contained in the four broad areas of the report. Obviously, the most critical recommendation is the one which states that the legislature should, in effect, consider closing the school and sending students out of state for dental education if the school cannot reduce its costs and dependence on state appropriations.

Since the inception of this school, our programs have been designed to answer the legislative mandate which charged us with the responsibility of the "encouragement of the study of dentistry...the continued education of the state's dental health professionals, the encouragement of dental research, and the improvement of dental health." We recognize and strongly support the report's admonishment to reduce costs; but we also heartily believe that the S oc of Dentistry's mission in higher education is vital to this state and its continuing progress.

Our students, themselves, are a clear signal of a sound educational system. They consistently score at or above the national average on the National Board of Dental Examiners certification tests. They have proven their competence with an overall 95 percent pass rate on the state dental licensure exams. Upon graduation, most of them choose to live and practice in Mississippi, alleviating a documented deficit of dentists in this state.

Some of our programs are innovative. Their originality stems from a keen awareness of the dilemmas dental education can help solve. Our courses on the aging process, for example, were conceived to meet the needs of a growing number of Mississippians who will require dentists who understand their very special problems. As a whole, our curriculum is based on the

problems a general practitioner in Mississippi will encounter with his or her patients. Advanced training in certain specialty areas assures that our graduates who practice in rural areas may do so without making frequent referrals to distant specialists.

The state has already made a substantial capital investment in building and equipment for this School of Dentistry. Mississippi would lose many services the school has provided since its establishment if the recommendation for closure is considered. The school provides tertiary care as a referral center for patients throughout the state; it provides continuing education for Mississippi dentists already in practice; it supports the dental hygiene programs throughout the state; and it is an economic resource for the city and county which - as the Committee knows - provided partial financial support to construct the dental education building. In fiscal year 1982, for example, the school generated approximately $490,000 from outside agencies for support of research and special programs.

We trust that our general comments to the report will be viewed by those who read them as optimistic and positive. We believe strongly in the future of health professional education in Mississippi and are convinced of the need for instate dental education. We accept the constructive criticism of the report. However, we would not meet our responsibilities as educators if we did not take issue with those recommendations regarding our curriculum. It is in that spirit that these general comments are offered.

Many of responses to specific recommendations by PEER and by the School of Dentistry have already been accepted and implemented. Others, however, need to be clarified These are discussed in the order in which they appear in the draft report.

The first series of recommendations appears in the executive summary section in which PEER introduces several cost reduction measures and revenue increases. Our comments are as follows:

Recommendation: Consider changing to a traditional departmental framework with blocked clinic periods.

This recommendation involves altering an accepted and approved method of dental education. It could be accomplished only by compromising the quality of education and may jeopardize the accreditation of the school. The School of Dentistry cannot accept this proposal. Overall, there is absolutely no question whatsoever as to the high quality and appropriateness of the dental education programs in the University of Mississippi School of Dentistry. The "block" system of dental clinical teaching has been replaced by the comprehensive patient care system in dental education. The "block" system is an outdated concept which was prevalent 20 years ago when treatment involved a much narrower range of procedures. There is no evidence to support the notion that the "block" system would increase effective clinic utilization, but it would interfere with the educational and patient care process. The patient's care and the student's education cannot be jeopardized by rigid schedules which require a chair to be filled at any cost.

Recommendation: Transfer the equipment and operational responsibility for the school's photography laboratory and television production studio to the UMC Learning Resources Division.

Operational responsibility for the school's learning resource equipment is unrelated to the commodity expenditures for audiovisual support. The School of Dentistry has a continuing need to expend from the commodity budget for support to provide educational materials for classroom and laboratory intructional support.

Recommendation: Increase enrollment by 10 in-state and 20 out-of-state students to the maximum capacity of 200 students using the tuition rate in effect for the 1982-83 academic year.

The goal of the School of Dentistry is to achieve capacity enrollment. The figure proposed by PEER may be somewhat misleading since we cannot accept 30 additional students in one year. We can perhaps admit an additional five persons from out-of-state. However, after one year they may qualify as Mississippi residents. Therefore only 5 of the 20 out-of-state students will pay the additional $6,000 per year in tuition. The net annual revenue increase would be $30,000 and not the implied $211,000.

Recommendation: Increase fees charged to patients for dental services by 5 percent.

The School of Dentistry has raised, and will continue to raise clinic fees annually. The increase for FY 82-83 that PEER recommends is less than the increase that the School of Dentistry introduced for FY 82-83. This increase in our clinic fees is reflected in the 1983 and 1984 budget requests and accounts for more than the $9,000 recommended.

Recommendation: Aggressively collect patient accounts, with a minimum collection rate of 85 percent.

The School has implemented measures to accomplish this and these additional revenue increases may be reflected in the current operating budget.

Recommendation: One-time revenue increase from sale of surplus dental chairs (may take a period of over one year to achieve).

These calculations are based on the assumption that the curriculum should be altered and that percentage of facility utilization is a measure of teaching efficiency. Both of these assumptions are incorrect. The curriculum change proposed by PEER may compromise the quality of

education and jeoparidze the accreditation of the school. Estimates of utilization and efficiency of teaching have not been established by the American Dental Association, the American Association of Dental Schools, dental education consultants, or private or public dental consultants. Therefore the conclusion that the resources are inefficiently or ineffectively utilized may be without foundation. Without challenging the specific calculations, we urge the readers to review additional considerations for retaining equipment (see Appendix A).

Recommendation: One-time cost savings from utilization of dental supplies currently on hand in auxiliary clinical supply rooms (may take a period of over one year to achieve).

This recommendation may be misleading for the following reasons:

1. Auxiliary Clinical Supply Rooms cannot be depleted to zero.
2. The $250,000 estimate contained non-consumable items not subject to inventory.
3. Any savings realized will be within this fiscal year (FY 1982-83) because all supplies in excess of a one month level will be returned to control stores.

Recommendation: The Dental School should try to generate more of its own funding and rely less on state appropriations. In an effort to do this, the school should consider future student tuition increases in an effort to make the student pay a more proportionate share of this education costs and aggressively attempt to collect delinquent patient accounts receivable.

Response: Accept.

Rationale:

The School of Dentistry already has demonstrated a pattern of increasing revenue in these areas. Tuition could be increased, but such action might well compromise our admissions of qualified and deserving students. Tuition and fees have increased in each of the last six

years. Currently tuition and fees exceed $3,600 per year. The School of Dentistry has addressed the problem of collection of delinquent patient accounts receivable and will continue to strive for improvements in the future.

Recommendation: The School of Dentistry should take whatever steps are necessary to more efficiently utilize existing facilities.

Response: Accept.

Plans are being formulated by the administration and by the curriculum and research committees to accomplish these goals. Elective programs are being developed as components of our new curriculum as well as patient care and research programs to serve the needs of special patient groups. Among them are cystic fibrosis patients, hemophiliacs, leukemia patients, post-trauma, and post-irradiation patients, and dialysis and kidney transplant patients, as well as other medically, physically, and mentally handicapped groups. Consideration will certainly be given to combining clinics and utilizing any newly created space for future dental school programs. In fact, the suggestion by PEER is quite timely, as right now this is occurring. A recently funded training grant from the federal government, "Residency Training in the General Practice of Dentistry", contained $75,000.00 for alteration and renovation to construct a graduate clinic in the School. The Restorative Dentistry Department consolidated its four clinics into three, and the remaining clinic has been converted into a graduate facility with operatories, laboratory, and conference rooms/library areas.

Recommendation: If the Dental School cannot reduce its costs and relatively high dependence on state general funds for its operation, the Legislature should consider contracting with the SREB once again to educate the state's dental students.

Response: Reject.

Rationale:

The State made the decision to have a dental school when ample funds were available for construction, the economy was strong, and there was a broad base of support by dentists in the State. During the past seven and one-half years, the school has made considerable progress, and it is our contention that the School of Dentistry is an important educational, indeed vital, resource for Mississippi.

We submit that this recommendation oversimplifies the issue in question. There are a number of factors which influence the findings contained in the report.

First, the School was reviewed at a time when state funds had been allocated to provide faculty for a full enrollment of 200 students.

Secondly, the comparisons were made using a cost per dental student equivalent. Cost-per-student information was presented for several revenue and expenditure items in the PEER report as a cost-per-DDSE (DDS equivalent). The DDSE is an inappropriate measure for the comparison of schools. No scientific method was employed by the American Dental Association to derive these coefficients, nor has any study ever been conducted to test their validity. When the cost per dental student approach is used, Mississippi ranks tenth of thirty-five public schools as shown in the following data:

Rank	Type of School	Total Expenditure per ODS
1	Public	83,236
2	Public	60,005
3	Public	53,325
4	Public	48,846
5	Public	46,348
6	Public	45,735
7	Public	45,324
8	Public	44,121
9	Public	39,032
10	Mississippi	38,841
11	Public	38,356
12	Public	36,402
13	Public	35,595
14	Public	35,440
15	Public	34,874
16	Public	33,630
17	Public	32,926
18	Public	32,802
19	Public	32,546
20	Public	32,422
21	Public	30,353
22	Public	26,989
23	Public	26,631
24	Public	25,618
25	Public	24,364
26	Public	23,917
27	Public	23,772
28	Public	23,477
29	Public	22,487
30	Public	20,548
31	Public	20,066
32	Public	20,058
33	Public	18,968
34	Public	18,537
35	Public	18,156
Mean		34,107

A second major issue involves comparing the University of Mississippi to the national average. No two dental schools are alike; however, certain generalizations can be made for comparative purposes. Because of similar financial structures, public dental schools can be grouped together. Also, schools can be compared on the basis of enrollment size, i.e., small, medium, or large. The economics of scale are similar within each of these groups. Consequently, a meaningful grouping of dental schools for comparative purposes would be small public schools. Nine schools, including the University of Mississippi, fall into this category. When cost-per-DDS student data for the University of Mississippi are compared to those of other schools in this group, Mississippi appears to be a relatively typical school as shown in the following table:

Rank	Type of School	Total Expenditure per DDS
1	Public	83,236
2	Public	48,846
3	Public	46,348
4	Public	45,324
5	Public	39,032
6	Mississippi	38,841
7	Public	32,546
8	Public	26,631
9	Public	23,917
Mean		42,747

In conclusion, the average cost per student (DDS) nationwide is $29,616. Nationally, these data differ widely, as indicated by the large standard deviation of the distribution ($10,557). The average cost per student at all public schools is $34,107, which is quite similar to the cost at Mississippi. In fact, when compared to all small public schools, Mississippi's cost per student is $4,000 less than the group average. Clearly, the type and size of a school are important in any cost-per-student consideration.

An additional perspective is provided by reviewing the data recently supplied by the ADA relating to revenues reported by school for FY 1980. These data show that of the 35 public schools, Mississippi ranked 28th in total revenues with an amount of $5.28 million, the mean was $9.75 million. When state appropriations alone were considered, Mississippi ranked 24th with an amount of $4.56 million, the mean was $6.16 million.

When all 59 dental schools were analyzed, Mississippi ranked 46th in total revenues at $5.28 million and the mean was $9.18 million. Again when all schools reported their state appropriations (only 53 reported as six schools received no state revenues), Mississippi ranked 27th with $4.56 million which was the median, the mean being $4.78 million.

Thus, the data show that in absolute dollars, Mississippi ranks less than the mean in total revenues and state appropriations in all comparisons. Data such as these provide additional perspectives on the cost effectiveness of the program developed in this dental school.

Recommendation: The Dean or Business Administrator should implement a periodic or perpetual accounting system for supplies inventory of auxiliary supply rooms to more fairly present monthly supplies inventory balances.

Response: Accept.

Action:

The School of Dentistry plans to implement a new inventory system that will maintain clinic inventory levels below the level subject to inventory at fiscal year end. In our opinion, this method would prove to be cost effective and would allow for improved control of supplies.

Recommendation: One authorized employee should have custody of and responsibility for supplies in each auxiliary supply room, and access to these supplies should be restricted to that employee.

Response: Reject:

Rationale:

If any of the clinical sterilization areas qualifies as an auxiliary supply room, implementation of this recommendation would require reorganization of the clinical auxiliary personnel, redefinition of the position description for the Instrument and Supply Technician, and upgrading of the position. It is doubtful that one employee could handle all the duties and responsibilities of maintenance of the supply inventory, ordering replacement supplies as needed, and accounting for all of the supplies issued.

At present, the clinical sterilization and supply areas are arranged so instrument scrubbing and preparation for sterilization, tray and pack setup, and sterilization occur in the same area as the supply storage and dispensary. Implementation of this recommendation would require substantial renovation of the sterilization and supply area in each clinic to separate the sterilization and supply functions and to secure

the supply room so that access to the supplies could be restricted to one employee only.

Recommendation: All items on hand should be included in the inventory.

Response: Reject.

Rationale:

All items held in inventory that are considered expendable will be inventoried. Items issued for a short period of time and returned in good reusable condition are not considered expendable and thus will not be inventoried.

Recommendation: Proper internal controls over accounting for gold and physical access to gold should be implemented to insure that all inventoriable quantities of gold are recorded in the financial records. Management also should conduct periodic reviews of the gold maintained by the chief laboratory technician to insure that only nominal supplies of gold alloy are available to him.

Response: Accept.

Action:

Internal controls over accounting and physical access to gold are under review and will be strengthened. Inventoriable gold is being included in the automated perpetual inventory system and all transactions will be recorded in the financial records on a monthly basis. Management will conduct necessary periodic reviews.

Recommendation: The UMC property control officer should initiate action or compile an accurate equipment inventory list which represents all equipment for which the Dental School should be held responsible. He should make a reasonable effort to locate items classified as "unlocated" on the current inventory file, correct location codes of those found, and delete all not found. Once all dental school equipment is located, it should be assigned to the business administrator who should then be held financially responsible for that equipment. The UMC property officer should conduct unannounced inventories to insure that inventories are being well controlled. Records of items deleted from the inventory

file should be retained on a separate file for investigative purposes. Using this system, the location, type of equipment, and other relevant factors could be monitored for patterns which would allow improved security measures to be developed and implemented.

Response: Accept.

Action:

The School of Dentistry has conducted, with the assistance of Property Control, Internal Auditing, and the Property Control Division of the State Department of Audit, three consecutive audits in order to compile an accurate equipment inventory list that would, in fact, represent all equipment. After completion of this inventory process, the results were as follows:

School of Dentistry-State Audit Inventory
March, 1982

Total Items Inventoried	Items Unlocated	Percent of Items Unlocated	Value of Inventoried Items	Value of Unlocated Items	Percent Value of Unlocated Items
5249	129	2%	$3,102,192	$29,454	Less than 1%

Since March, 1982, the School of Dentistry has continued to search for the items on the "not found" list. As of November, 1982, 10 of the 129 "not found" items have been located, thus reducing the value of the unlocated items from $29,454 to $24,473.

As of November, 1982, the status of the inventory is as follows:

Total Items Inventoried	Items Unlocated	Percent of Items Unlocated	Value of Inventoried Items	Value of Unlocated Items	Percent Value of Unlocated Items
5260	119	2%	$3,142,168	$24,473	Less than 1%

The School of Dentistry will continue in its endeavor to update and locate items "not found" on inventory lists. When the inventory is firmly established, the business administrator, in conjunction with departmental property officers, will be responsible for the maintenance and supervision of the inventory.

The School of Dentistry is subject to unannounced inventories by federal, state, and internal auditors and various other governmental agencies. Procedures established by the UMC Property Control Department to conduct a periodic inventory are in effect.

PEER identified a camera with a UMC property label that was not entered on the property control inventory. The camera is now entered on the property audit records. Established UMC policies and procedures are in place to periodically compare all equipment inventory on hand to existing equipment inventory records of the UMC property office.

Recommendation: Duties for handling cash and patient accounts receivable forms and for maintaining accountin records for cash and accounts receivable should be clearly defined and effectively separated.

Response: Accept.

Action:

The School of Dentistry will request an analysis of positions and job descriptions. Definition and separation of duties will be evaluated at this time

These will include Dean, Assistant Dean for Clinical Programs, Director of Business Administration, Clinical Operations Manager, and the Accounts Supervisor, and other patient accounts personnel as deemed necessary.

Recommendation: The Dean or the Business Administrator should request that the UMC Accounting Department close all duplicate and unused accounts.

Response: Accept.

Action:

All duplicate and unused accounts have been closed.

Recommendation: The Dean should carefully review and implement all recommendations set forth in the April 22, 1980 memorandum.

Recommendation: The Dean, in conjunction with the UMC attorney, should clarify the legal structure and authorities of the intramural practice plan.

Recommendation: Intramural clinical personnel should schedule all appointments for all participants and maintain detailed appointment books.

Recommendation: Overhead funds withheld from participant's monthly collections should finance all operations of the intramural practice program including salaries of all personnel who perform any work for the intramural operations.

Recommendation: Participants should not be allowed to treat private patients in Dental School teaching clinics without the express consent of the Dean or the Plan Administrator, whoever has authority to record and monitor the use of the intramural clinic.

Recommendation: Participants should only use supplies from the intramural clinic supply room for treating private patients. The dental assistant responsible for maintaining supplies should record all receipts and disbursements of supplies in detailed inventory records.

Recommendation: Personnel employed by the intramural practice program should be paid through the overhead fund and be responsible for all operations and accounting for intramural operations. The auditors should prepare a detailed report of their findings for distribution to the Dean, the Plan Administrator, the Advisory Committee, and the Business Administrator.

Recommendation: The Dean and Plan Administrator should be responsible for enforcing the provision for a detailed annual audit of the intramural operations.

The auditors should prepare a detailed report of their findings for distribution to the Dean, the Plan Administrator, the Advisory Committee, and the Business Administrator.

Recommendation: The Dental School Business Administrator should not serve as the Plan Administrator. The Business Administrator should be responsible for reviewing the reports of participant's income to ensure that the Dental School receives its share of any earnings in excess of the participant's base salary.

Recommendation: Prenumbered patient registration forms should be issued to each participant. The issuance of blank forms and receipt of completed forms should be recorded in a log which is reviewed periodically for missing forms.

Response:

PEER suggests that individual responses for these recommendations are unnecessary. The School of Dentistry will review the guidelines of the intramural practice plan. The results of the review will be forwarded to the Vice Chancellor and the Board of Trustees for their review.

The following items are reported as errors in factual information or in the findings of the PEER:

Page 9, Number 3: The American Association of Dental Schools believes that DDSE is an arbitrary ratio which may bear no validity when comparing dental schools, especially those which concentrate on dental education rather than specialty training programs. The AADS suggests that a more appropriate comparison is cost per dental student. By this standard, the School of Dentistry ranks tenth out of 35 public schools and sixth of the nine public schools of similar size.

Page 9, Number 4: Costs per student calculated by AADS methods are presented on pages and of our response. We urge the Committee's consideration of these figures.

Additionally, it should be noted that the UMC School of Dentistry reports institutional costs and support for basic science departments. These two major items are not an integral part of many of the nation's dental schools.

Page 23, line 6: "200 students"

The school was designed to accommodate class sizes of 50, but it could possibly accommodate a class of 60.

Page 38: The underlined statement seems somewhat confusing. Our program is unique as are programs in all schools. Even with the unique addition of our clinical problem solving program (approx: 400 hours), we are just a little greater than 1 SD above the average. Removal of the hours for CPS would put our program in a group of 27 schools within 1 SD above the mean.

Page 38: #1 - see above.

#s 2 and 3. The statements clearly relate to the uniqueness of our curriculum. The basic science hours are well within 1 SD of the mean and again comparisons are not strictly valid. We would point out that each problem area is taught using a five point approach, i.e., definition, distribution, causality, resolution and outcome. This approach involves the presentation of a considerable amount of information in these areas including several hours usually associated in a traditional curriculum with basic sciences. Traditional clinical science courses are almost entirely confined to the study of a resolution of problems only. Thus it would be expected that our curriculum would contain more hours in the clinical science areas.

Similarly, the Community Health Project accounts for about 150 hours of behavioral science curriculum time, another unique component in our curriculum.

The PEER observations are correct, but we believe a broader perspective has to be provided before any conclusions can be made.

Clinic Facility Utilization

Page 52:

PEER's conception that 59 chairs are not used in a given quarter might lead one to believe that these chairs are unused. There may be 59 chairs in a given time, but not the same 59 chairs in the same clinics at any time. The needs of the comprehensive patient care system require a certain amount of flexibility in the availability of time and space in clinics; thus, in a given quarter, all chairs will be used at some time.

Analysis of current data shows that a flexibility of 30% is appropriate to accommodate the needs of 100 students in a comprehensive care system. This encourages students to manage their practices well and affords them ample opportunity to accomplish their guidelines with efficient use of their time.

The situation described offers us the opportunity to continue our highly commended comprehensive care program and make appropriate use of the facilities available. Also, it gives us the opportunity to develop our educational programs to include programs which can be centered around the additional units available, programs needed in our state. Plans are being formulated by the administration and by the curriculum and research committees to accomplish these goals. Graduate programs are being considered in certain specialty areas as is an Advanced General Practice program. Elective programs are being developed as components of our new curriculum as well as patient care and research programs to cater to the needs of special patient groups. Among the groups which will be served are cystic fibrosis patients, hemophiliacs, leukemia patients, post-trauma and post-irradiation patients, and dialysis and kidney transplant patients, as well as other medically, physically, and mentally handicapped groups. "Minors" programs will be developed as will student research projects to make additional use of the clinical facilities. It is anticipated that in less than four years, most of the above programs will have been initiated.

We also wish to note for the Committee's

consideration that the block system of dental clinical teaching referred to in this paragraph is being increasingly replaced by the comprehensive patient care system in current dental education. It offers no advantages over a comprehensive care system and in fact has several major disadvantages. The onus of responsibility for patient appointing and schedule management falls not upon the student, where it should, but upon faculty and staff to provide appropriate patients with suitable lesions for treatment in that particular block assignment. The student is encouraged to treat separate isolated events rather than to adopt a problem-solving approach to the patients' total care. Treatment of patients via block assignments results in students having no concept of total patient care or understanding of the holistic nature of the patient and most unfortunately the student rarely experiences the sense of accomplishment associated with the successful completion of a patients' total treatment needs.

After graduation, a dentist in practice must be committed to total patient care, understand its meaning, and have experience in its provision in order to cater to the problems presented by his/her patients. Modern dental practice is based upon comprehensive patient care and not the treatment of specific disease entities in a nonintegrated fashion.

In fact, the use of a block assignment system is entirely inappropriate for the education of contemporary dental practitioners. The institution of a program of that nature in the school would be viewed as a step towards the proprietary brand of dentistry and would surely result in the loss of the approved accreditation status so well earned by the University of Mississippi School of Dentistry.

APPENDIX A

Clinic Facility Utilization

There appear to be 172 chairs, but at this time only 80 students use them on a regular basis. To follow the sequence of thought proposed by the PEER and conclude with the statement on page 57, "The Dental School Inefficiently Utilizes Overall Clinic Space," however, indicates that a different perspective needs to be provided.

The reason for the inefficiency is not related to instructional philosophy but to the fact that all dental school programs have not yet reached projected maximums. We have every confidence that they will.

We also believe this section of the report merits several other comments. The data presented in exhibit 19 are correct, though it should be added that in the academic years 1982-83 only 152 chairs are available for use as 20 chairs in the Restorative Dentistry area are no longer available for undergraduate teaching

The use of clinics by all students has been viewed as a problem by the administration and effective solutions introduced. A considerable improvement has been achieved. The chairs specifically made available were better utilized but, as already stated, it is not possible for 80-100 students to utilize 152-172 chairs in any single point in time. Yet, at any given point, 80-100 students are using 80-100 chairs, which we believe is maximum efficiency viewed by any standards.

PEER's conception that 59 chairs are not used in a given quarter might lead one to believe that these chairs are unused. There may be 59 chairs in a given time, but not the same 59 chairs in the same clinics at any time. The needs of the comprehensive patient care system require a certain amount of flexibility in the availability of time and space in clinics; thus, in a

given quarter, all chairs will be used at some time.

Analysis of current data shows that a flexibility of 30% is appropriate to accommodate the needs of 100 students in a comprehensive care system. This encourages students to manage their practices well and affords them ample opportunity to accomplish their guidelines with efficient use of their time. The situation described offers us the opportunity to continue our highly commended comprehensive care program and make appropriate use of the facilities available. Also, it gives us the opportunity to develop our educational programs to include programs which can be centered around the additional units available, programs needed in our state. Plans are being formulated by the administration and by the curriculum and research committees to accomplish these goals. Graduate programs are being considered in certain specialty areas as is an Advanced General Practice program. Elective programs are being developed as components of our new curriculum as well as patient care and research programs to cater to the needs of special patient groups. "Minors" programs will be developed as will student research projects to make additional use of the clinical facilities. It is anticipated that in less than four years, most of the above programs will have been initiated.